City of Saint John

FINANCIAL STATEMENTS

1989

GOALS
FOR SAINT JOHN

CITY OF SAINT JOHN

NEW BRUNSWICK

FINANCIAL STATEMENTS

DECEMBER 31, 1989

91-00119/

Front Cover

Goals for Saint John - A

Plan for Progress

Common Council, in June 1987, initiated the process to prepare a Strategic Plan for Saint John and create the "Vision for the Future" of our City. A background study identified our strengths and potential.

Council then appointed a Task Force, representing a cross-section of the community, to gain public input and recommended goals. Council's Task Force reviewed all the background material, held meetings for public input and recommended a Mission, Directions, Goals and suggested Actions which were presented to Council in November 1988.

This Task Force report was received by Common Council and referred to the City Manager for review. A Strategic Plan Co-ordinating Committee was established and the goals identified by the Task Force were circulated to all City departments for comment. Based on this comprehensive and detailed review, the **Goals for Saint John - A Plan for Progress** were adopted by Council in 1989.

The 1989 Financial Statements presented in this report recognize the major accomplishment in establishing the Goals for Saint John by highlighting on the front cover the artistic rendering which has now become symbolic of the Goals and the initiatives to achieve them.

1989

CITY OF SAINT JOHN

ELECTED OFFICIALS

Her Worship, Elsie E. Wayne, Mayor

Arthur Gould, Deputy Mayor

Joseph Coughlan, Councillor

Samuel Davis, Councillor

Hugh Fitzpatrick, Councillor

Edis A. Flewwelling, Councillor

Dennis R. Knibb, Councillor

Patricia Landers, Councillor

Kathy Rogers, Councillor

Albert A. Vincent, Councillor

M. A. Vincent, Councillor

CITY OF SAINT JOHN

SENIOR OFFICIALS

AS OF DECEMBER 31, 1989

City Manager	G. Taylor, B. of Comm., M.B.A.
Deputy City Manager	N. Barfoot, BEC Eng.
Assistant City Manager, Operations	C. Robichaud, B.Sc., Civil Eng.
Assistant City Manager, Development	J. Brown, B.S.Sc., M.C.I.P.
Common Clerk	M. Munford
City Solicitor	F. Rodgers, B.B.A., N.B.C.L.
Commissioner of Finance	D. Wilson, B. of Comm., C.A.
Commissioner of Human Resources	P. Groody, P. Eng., M.I.R.
Police Chief	D. Sherwood
Fire Chief	R. McDevitt

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(k) The City of Saint John Pension Fund

1989

OPERATING HIGHLIGHTS OF

THE GENERAL FUND &

THE WATER & SEWERAGE UTILITY

GENERAL FUND

In 1989 the General Fund realized a surplus of $561,077 and at the same time was able to finance an additional $1,400,000 of capital projects from current operations. For five years now the City has been attempting to reduce the amount of capital borrowing by financing capital work from the operating budget. Projects paid for in the current year reduce the amount of long-term financing required and, of course, reduces future principal and interest payments. Whenever annual operating results have been favourable, the opportunity has been used to increase the amount of one-year financing. This year, results were very favourable and this permitted the current year financing of the additional $1,400,000 of capital projects. There are a number of factors which all are found within the expenditure categories. Actual revenue of $77,852,380 exceeded budget by only $44,095.

OPERATING HIGHLIGHTS

Expenditures

While there are a number of variations from budget within the expenditure categories, three are of major significance. First, is the recovery of lease expenses from the landlord of the City Hall Building as a result of a successful court award. The amount of the award, net of related expenses, was $911,838, of which $771,780 was allocated to the General Fund and $140,058 allocated to the Water & Sewerage Utility.

Secondly, short-term financing costs were $708,000 better than budget. Actually, during the year the City earned a substantial amount of interest income, whereas a small amount of interest expense had been budgeted. During most of the year, the City had surplus funds, and this coupled with reasonably high interest rates contributed to the favourable variance.

Thirdly, the statements reflect total underexpenditures of $788,846 in Environmental Development Services. Of this amount, $412,422 relates to a reduction in the City's share of operating costs for Market Square. This was due to a recovery of operating expenses from previous years, as well as a recovery from the Province of New Brunswick for the space allocated to the Regional Library within the premises occupied by the Saint John Free Public Library. Port Promotion and Economic Development were underspent by a combined total of $167,218, primarily in the areas of advertising, travel and receptions. In addition, Real Estate Management was underspent by $96,453 and this was due to lower than expected expenditures for maintenance, taxes and fuel costs on City owned properties.

There are a number of other offsetting over and underexpenditures which are worthy of mention. The category of Protective Services was underspent by $115,588, all of which was as a result of vacancies and the fact that the civilianization program was not implemented in the Police Department. This was partially offset by an overexpenditure in the Fire Department arising from the settlement reached with respect to the pensions paid to firefighters under the Heart & Lung Act.

Within the transportation category of expenses, there was an overexpenditure in the Mechanical and Carpentry area of $283,546. This was due to expenses exceeding budget for vehicle repairs and the purchase of a grader that had not been included in the budget. The operating subsidy to Saint John Transit was $85,420 less than expected.

Finally, Recreation and Cultural Services was overspent by $323,788. Of this amount, $200,590 is attributable to the City's decision to clear the slate with respect to Festival-By-The-Sea by paying off the company's bank loan and other outstanding debts. A further $46,000 relates to a greater than anticipated deficit at the Saint John Aquatic Centre with the balance being incurred at the Golf Course and in the Parks Maintenance area.

Capital Debt

Total long-term debt outstanding at the end of 1989 was $34,464,457, a reduction of $105,888 over the previous year. While this is a modest reduction, it represents the fourth consecutive year that outstanding debt has declined. At the end of 1985 the City's outstanding debt had reached an all time high of $41,832,525. This favourable trend is the direct result of financing certain capital projects from operating funds.

In 1989, the actual amount of funds expended on interest and principal payments was 11.8% of total expenditures. In comparison, only four years ago the figure was 15.6%.

Conclusion

It is unknown how long these positive trends will continue. The City is currently examining a number of major capital projects that, if constructed, will add to our long-term debt and related financial commitments. Furthermore, the 1990s will no doubt see pressures placed on municipalities as the Federal and Provincial Governments attempt to balance their own budgets. The Federal budget on February 20, 1990, which reduced transfer payments to the Province, is an example of what can be expected.

The City of Saint John has favourably positioned itself to deal with what will undoubtedly be difficult times in the 1990s. In fact, when the debt retirement program commenced in 1985, it was specifically to protect the City against the ramifications of reduced senior level government support and to provide flexibility that would permit the construction of new major projects without having an impact on the City's tax rate.

WATER & SEWERAGE UTILITY

As we enter the 1990s, it is anticipated that the Water & Sewerage Utility will be faced with ever increasing financial demands. Funding infrastructure replacement, increased wastewater treatment and the costs associated with dealing with other environmental concerns are going to be the challenges facing the Utility in the nineties. In order to deal with the financial impact of these issues, it would be most beneficial if the Utility could be positioned in such a manner as to have a large accumulated surplus and as little capital debt as possible.

While the 1989 results of operations in no way places the Utility in such a desirous position, they do allow it to move marginally in that direction. The results indicate that the revenues of the Water & Sewerage Utility exceeded expenditures by $155,457. This current year's surplus brings the Utility's total accumulated surplus to $242,352. In addition, charged against the current year's operation, is an amount of $500,000 which was originally included in the capital budget to be financed by way of a bond issue in 1990.

Revenue

Total revenue to the Utility amounted to $14,700,794, or $552,201 more than budgeted. Of this total, $9,641,375 was raised from charges to the Utility's customers, $4,347,980 from charges to the General Operating Fund for water supply for fire protection and storm sewerage services and the balance of $711,439, represents a grant from the Province given to assist the Utility in repaying debt incurred in building treatment plants in previous years.

As stated, total revenue exceeded budget by $552,201. This entire amount can be traced to the revenue raised from the Utility's customers. While there were an

additional 201 flat rate customers, and an additional 35 metered customers in 1989, most of the excess is due simply to underestimating the 1989 revenue at the time of preparing the budget in the fall of 1988. It was known very early in 1989 that the actual revenue was going to be considerably greater than budget and it was determined that an amount of $500,000 included in the capital budget could be financed directly against the operating results of the current year. While this did occur in 1989, the 1990 revenue budget approved by Council, has been set at a level which will more closely reflect the actual results which are expected.

Expenditures

Total expenses of the Utility, excluding fiscal services, amounted to $8,134,270 or $191,770 less than budget. Of this amount, $140,058 is attributable to the Utility's share of the court award regarding the recovery of City Hall leasing costs. The balance of $50,712 was underspent in various operational areas of the Utility. Costs associated with purifying, treating and pumping our water as well as costs associated with billing and collecting accounts were all underspent. Offsetting this were overexpenditures in the costs incurred in distributing the water and collecting and treating sewerage.

Finally, fiscal services, excluding Capital Projects financed by Operations was overspent by $87,514. Although some variations in individual categories did occur, the primary overexpenditure was in the area of short term financing costs which includes the costs incurred in financing the Utility's annual payment plan.

Conclusion

In conclusion, we wish to reiterate the view that the results of 1989 operations have been extremely favourable and do place the Utility in a better position to face the challenges that lie ahead.

THE CITY OF SAINT JOHN

GENERAL FUND

1989 FINANCIAL STATEMENTS

THE CITY OF SAINT JOHN
GENERAL FUND

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1989

Coopers
&Lybrand

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&Lybrand

chartered accountants

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a member firm of
Coopers & Lybrand (internation

February 16, 1990

AUDITORS' REPORT

TO HER WORSHIP THE MAYOR AND MEMBERS OF
COMMON COUNCIL OF THE CITY OF SAINT JOHN

We have examined the Operating Fund Balance Sheet and Capital and Loan Fund Balance Sheet of The City of Saint John General Fund as at December 31, 1989 and the related Statements of Revenue and Expenses and Equity and Statement of Source and Application of Capital Financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the General Fund of the City as at December 31, 1989 and the results of its operations and the changes in its equity for the year then ended in accordance with accounting principles generally accepted for municipalities applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

CHARTERED ACCOUNTANTS

Resident Partners
L R Colman
J D Craig
H R Tidby
P Wishaw
L G Wilson

THE CITY OF SAINT JOHN
GENERAL FUND

OPERATING FUND BALANCE SHEET AS AT DECEMBER 31, 1989

A S S E T S

	1989 $	1988 $
Cash and short-term deposits	149,840	34,725
Accounts receivable	1,896,545	482,590
Due from associated entities		
Water and Sewerage Utility - Operating Fund	704,708	1,406,689
- Capital and Loan Fund	1,501,085	992,564
Saint John Non-Profit Housing Incorporated	3,414	-
Saint John Transit Commission	85,419	4,732
The Power Commission of the City of Saint John	349,505	257,792
Pension Fund of the City of Saint John	345,894	-
Due from Sinking Fund	101,724	-
Due from Capital and Loan Fund	7,691,083	7,668,280
Inventory of materials and supplies, at the lower of cost and replacement cost	392,247	367,934
Prepaid expenses	2,000	50,000
	13,223,465	11,265,306

L I A B I L I T I E S A N D E Q U I T Y

Cheques in circulation	347,257	517,550
Accounts payable and accrued charges	9,602,861	7,634,185
Debentures matured and payable	40,800	42,800
Interest payable on long-term debt	738,201	798,994
Due to Sinking, Reserve & Trust Funds	-	100,000
Due to associated entities		
Pension Fund of The City of Saint John	-	238,533
Saint John Parking Commission	1,374,297	1,122,957
Saint John Aquatic Center	79,648	109,108
Deferred revenue	20,242	20,242
Total liabilities	12,203,306	10,584,369
Equity	1,020,159	680,937
	13,223,465	11,265,306

SIGNED ON BEHALF OF THE COUNCIL

_____
Mayor

_____
Chairman
Finance Committee

Coopers &Lybrand

THE CITY OF SAINT JOHN
GENERAL FUND

OPERATING FUND STATEMENT OF EQUITY

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989 $	1988 $
EQUITY - BEGINNING OF YEAR	680,937	616,579
Add: Excess of revenue over expenses for the year	561,077	459,082
	1,242,014	1,075,661
Deduct: Excess of revenue over expenses - second previous year (note 1)	221,855	394,724
EQUITY - END OF YEAR	1,020,159	680,937

THE CITY OF SAINT JOHN
GENERAL FUND

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1989

	Page Reference	1989 Budget $	1989 Actual $	1988 Actual $
REVENUE				
Property and business taxes		42,798,493	42,798,493	39,800,738
Unconditional grant - Province of New Brunswick		29,131,727	29,131,727	29,119,800
Sale of goods and services	10	1,785,200	1,869,504	1,646,515
Other revenue from own sources	10	3,035,700	2,970,546	3,046,520
Conditional grants from other governments	10	760,875	783,698	766,952
Miscellaneous revenue		74,435	76,557	126,452
Excess of revenue over expenses - second previous year (note 1)	7	221,855	221,855	394,724
TOTAL REVENUE FOR THE YEAR		77,808,285	77,852,380	74,901,701
EXPENSES				
General government services	11	4,907,134	4,849,345	4,872,810
Protective services	11	27,092,252	26,976,664	25,520,922
Transportation services	12	18,520,200	18,685,495	17,109,306
Environmental health services		1,633,900	1,695,716	1,619,083
Environmental development services	12	7,463,214	6,674,368	7,077,494
Recreational and cultural services	13	7,349,285	7,673,163	7,655,728
Fiscal services	13	10,842,300	11,460,865	10,529,442
Cost shared programs		-	47,467	57,834
Expenses before recovery of lease expenses		77,808,285	78,063,083	74,442,619
Recovery of lease expenses (note 7)		-	(771,780)	-
TOTAL EXPENSES FOR THE YEAR		77,808,285	77,291,303	74,442,619
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR		-	561,077	459,082

THE CITY OF SAINT JOHN
GENERAL FUND

CAPITAL AND LOAN FUND BALANCE SHEET

AS AT DECEMBER 31, 1989

A S S E T S

	1989 $	1988 $
Due from associated entities		
Saint John Transit Commission	525,528	499,330
Saint John Non Profit Housing Incorporated	430,836	449,727
	956,364	949,057
Mortgage receivable	72,000	76,500
Due from Sinking Fund	615,200	643,800
	1,643,564	1,669,357
Investments in shares of wholly owned company, Saint John Industrial Parks Ltd., at cost	994	994
FIXED ASSETS (notes 1 and 2)		
Land, buildings, plant and equipment and engineering structures	158,634,264	147,064,032
	160,278,822	148,734,383

L I A B I L I T I E S A N D E Q U I T Y

Debenture debt (note 2)	30,546,382	30,375,465
Other long-term debt (note 2)		
Canada Mortgage and Housing Corporation	1,406,238	1,534,172
Department of Regional Industrial Expansion	2,483,605	2,624,866
The Government of Canada	25,605	33,119
Municipal Development and Loan Board	2,627	2,723
	34,464,457	34,570,345
Due to Operating Fund	7,691,083	7,668,280
Equity	118,123,282	106,495,758
	160,278,822	148,734,383

THE CITY OF SAINT JOHN
GENERAL FUND

CAPITAL AND LOAN FUND STATEMENT OF EQUITY

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989 $	1988 $
EQUITY - BEGINNING OF YEAR	106,495,758	98,274,967
Debt repaid during the year by the Operating Fund		
Debenture debt	4,987,883	4,756,133
Canada Mortgage and Housing Corporation	127,934	136,168
Department of Regional Industrial Expansion	141,261	129,733
The Government of Canada	7,514	7,055
Municipal Development and Loan Board	96	91
	5,264,688	5,029,180
Capital projects financed by the Operating Fund	3,000,000	1,750,000
Contributions in aid of construction		
Provincial government	1,050,000	-
Federal government	717,139	-
	1,767,139	-
Proceeds on land sales in excess of estimated cost	56,423	62,258
Fixed assets purchased by the Operating Fund	1,539,274	1,379,353
EQUITY - END OF YEAR	118,123,282	106,495,758

THE CITY OF SAINT JOHN
GENERAL FUND

STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FINANCING

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989 $	1988 $
SOURCE		
Bond issue	5,200,000	4,300,000
Contributions - Federal Government	717,139	-
- Province of New Brunswick	1,050,000	-
Reduction in amounts receivable	25,793	817,774
Increase in amount due to the Operating Fund	22,803	386,185
Fixed assets purchased by the Operating Fund	1,539,274	1,379,353
Capital projects financed by the Operating Fund	3,000,000	1,750,000
Proceeds from land sales	56,423	62,258
	11,611,432	8,695,570
APPLICATION		
Capital expenditures	11,570,232	8,657,370
Maturity of Sinking Fund Bonds	41,200	38,200
	11,611,432	8,695,570

THE CITY OF SAINT JOHN
GENERAL FUND

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

1. SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation

The General Fund financial statements of The City of Saint John have been prepared in accordance with the fund basis of accounting. The Operating Fund reflects the City's working capital and results of operations and the Capital and Loan Fund reflects its investment in fixed assets and outstanding long-term debt.

Fixed assets and depreciation

Fixed assets are initially recorded at cost. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to equity in capital assets, except where the asset was acquired under the Urban Renewal Program. In these cases the funds received are netted against the asset cost.

The City does not record depreciation but an amount equal to annual debt repayment is charged to operations and credited to equity in capital assets. The City also charges to operations all capital projects that are financed in the current year from operating funds.

Accrual accounting

The City follows the accrual method of accounting for revenue and expenses.

Retirement pay liability

All employees upon retirement from the City of Saint John are entitled to a retirement pay bonus equal to one months pay, to a maximum of six months, for every five years of service. The City has made provision for employees currently with 24 years or more of service (1988 - 25 years).

Accounting for second previous year's operating results

Section 89 of the Municipalities Act of New Brunswick requires that the excess of revenue over expense for a fiscal year be included in revenue in the second ensuing year and that similarly, the excess of expense over revenue for a fiscal year be included in expense in the second ensuing year.

THE CITY OF SAINT JOHN
GENERAL FUND

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

2. DEBENTURE AND OTHER LONG-TERM DEBT

The aggregate amount of principal payments required on the General Fund's long-term debt in each of the next five years is as follows:

	$
1990	5,770,950
1991	5,658,886
1992	5,590,951
1993	4,877,132
1994	3,324,673

Fixed assets include $6,661,725 (1988 - $6,641,729) for which financing has not been arranged at the year end.

3. PENSION PLAN

Pension benefits are provided to employees of The City of Saint John under the Saint John City Pension Act, 1970. Employees contribute to the plan, which provides for service pensions based on length of service and rate of pay. The City's contribution limits are fixed by legislation at approximately seven percent of employee earnings. In addition, the City contributes $135,000 per year, to the year 1997 and $86,000 thereafter, in recognition of past service benefits. The City charges to expense its contributions, including the $135,000 on an annual basis.

4. COMMITMENTS

Saint John Transit Commission

During 1979, Saint John Transit Commission was created by an Act of the Legislative Assembly of New Brunswick. Under provisions of the Act the Commission has the authority to maintain and operate a public transit system within The City of Saint John, with all operating losses and debt charges being funded by the City. The City of Saint John is also liable for the debentures issued on behalf of the Commission which at December 31, 1989 amounted to $1,909,500 (1988 - $1,675,500).

In 1979, The City of Saint John financed the acquisition of fifteen transit coaches under a capital lease agreement. Under the terms of the agreement, semi-annual lease payments of $70,103 plus provincial sales tax commenced in September of 1979 and will expire on April 1, 1995, unless certain purchase options have been exercised.

THE CITY OF SAINT JOHN
GENERAL FUND

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

4. COMMITMENTS - continued

Saint John Aquatic Center

During 1984, Saint John Aquatic Centre Commission was created by an Act of the Legislative Assembly of New Brunswick. Under provisions of the Act the Commission has the authority to maintain and operate the Canada Games Aquatic Centre with all operating losses being funded by the City.

Lease commitments

The City of Saint John's lease on the City Hall building has annual payments of $605,000 until 1992 and $557,000 to the expiry date of the lease in 1995. In addition, the City is responsible for property taxes and operational costs above fixed base amounts.

Market Square Central Building Complex - lease agreements

The Central Building Complex of the Market Square Project was opened to the public in May 1983. This complex includes the library, trade and convention centre, parking garage and retail and commercial space. Under the terms of three, sixty-six year leases, The City of Saint John is responsible for the proportionate share of the complex's common area operating expenses, including property taxes, related to the library, trade and convention centre and parking garage.

5. SAINT JOHN TRADE AND CONVENTION CENTRE

The Saint John Trade and Convention Centre is owned by The City of Saint John and operated by Hilton Canada Inc. under a management agreement dated June 1, 1984. According to the terms of this agreement the City is responsible for the operating loss of the Centre.

6. CONTINGENCIES

The City of Saint John is liable for the debentures and other long-term debt issued on behalf of its self-supporting entities; The Water and Sewerage Utility, The Power Commission of The City of Saint John and The Saint John Parking Commission. The total of such debt outstanding at December 31, 1989 was $34,650,589 (1988 - $31,233,000).

7. RECOVERY OF LEASE EXPENSES

During the year the City of Saint John was successful in a legal dispute with the landlord of City Hall over leasing expenses. The amount of the award, net of related expense was $911,838 of which $771,780 was allocated to the General Operating Fund and $140,058 allocated to the Water and Sewerage Utility.

THE CITY OF SAINT JOHN
GENERAL FUND

SCHEDULE OF REVENUE ITEMS

FOR THE YEAR ENDED DECEMBER 31, 1989

	Budget 1989 $	Actual 1989 $	Actual 1988 $
SALE OF GOODS AND SERVICES			
Protective services			
Fire alarm system	2,000	-	2,112
Fire department training school	25,000	4,285	31,167
Rescue squad	13,000	18,225	16,050
Point Lepreau	12,000	12,000	12,000
Garbage collection and disposal	388,000	466,254	309,027
Recreational and cultural	870,200	905,899	759,970
Mechanical and carpentry	280,000	242,495	261,218
Sale of used vehicles	75,000	112,075	151,649
Ambulance service to other municipalities	30,000	23,851	26,744
Administrative service - Housing Operations	90,000	84,420	76,578
	1,785,200	1,869,504	1,646,515
OTHER REVENUE FROM OWN SOURCES			
Licenses and permits			
Building	595,000	519,226	635,381
Plumbing	35,000	38,582	43,573
Business and other	24,100	26,370	24,358
	654,100	584,178	703,312
Fines and parking meters			
Parking and traffic violations	559,900	552,592	566,587
Motor vehicle violations	200,000	216,129	208,766
Parking meters	450,000	461,436	442,085
Market Square Parking Garage	792,600	754,183	746,133
	2,002,500	1,984,340	1,963,571
Rentals			
Market	139,000	141,777	136,920
Land and buildings	240,100	260,251	242,717
	379,100	402,028	379,637
	3,035,700	2,970,546	3,046,520
CONDITIONAL GRANTS FROM OTHER GOVERNMENTS			
Federal government and agencies			
Residential Rehabilitation Assistance Program	50,000	43,181	70,555
Canada Assistance Plan	6,000	6,000	6,000
Other Programs	-	-	30,146
Provincial government and agencies			
Transportation services - highways	700,875	701,445	655,180
Economic Development - tourism	4,000	21,454	5,071
Other programs	-	11,618	-
	760,875	783,698	766,952

THE CITY OF SAINT JOHN
GENERAL FUND

SCHEDULE OF EXPENSE ITEMS

FOR THE YEAR ENDED DECEMBER 31, 1989

GENERAL GOVERNMENT SERVICES

	Budget 1989 $	Actual 1989 $	Actual 1988 $
Legislative			
Mayor's office	160,740	162,521	154,224
Council expense	192,450	179,781	203,945
General administrative			
City manager	424,717	424,892	364,345
Common clerk	250,905	237,807	280,767
Human Resources	589,540	575,716	536,067
Public relations	185,000	115,298	148,697
Solicitor	357,580	335,964	400,303
Financial management			
Administration	195,496	201,285	194,277
Accounting	401,779	370,711	383,055
Payroll	136,210	139,572	124,446
Budget control	181,800	201,344	175,544
Billings and collection	165,731	162,649	153,063
Purchasing	226,026	236,243	248,016
Common services			
City Hall building	1,575,900	1,681,877	1,588,382
Data processing services	494,600	510,712	458,453
Other general government services			
Conventions and delegations	10,000	610	1,140
Public liability insurance	165,200	155,022	194,143
Grants to community based organizations	142,000	42,600	101,000
	5,856,334	5,734,604	5,709,867
Deduct administrative costs allocated to the Water and Sewerage Utility	(949,200)	(885,259)	(837,057)
	4,907,134	4,849,345	4,872,810
PROTECTIVE SERVICES			
Police protection	12,399,500	12,204,000	11,288,538
Fire protection			
Salaries and other operating costs	11,068,452	11,199,500	10,781,439
Water supply	1,888,000	1,856,663	1,830,325
Emergency measures			
Emergency measures organization	5,000	4,630	-
Ambulance	191,000	211,099	149,469
Rescue services	572,400	569,575	573,891
Other protection			
Building inspection	797,900	760,797	727,260
Animal Rescue League	170,000	170,400	170,000
	27,092,252	26,976,664	25,520,922

THE CITY OF SAINT JOHN
GENERAL FUND

SCHEDULE OF EXPENSE ITEMS

FOR THE YEAR ENDED DECEMBER 31, 1989

TRANSPORTATION SERVICES

	Budget 1989 $	Actual 1989 $	Actual 1988 $
Common services			
Mechanical and carpentry	5,375,700	5,884,716	5,232,481
Less: Charges to other departments	(2,100,000)	(2,335,470)	(2,237,732)
	3,275,700	3,549,246	2,994,749
Administration	374,400	356,943	321,483
Engineering	903,300	918,277	808,872
Supply and Services administration	588,100	592,707	581,950
Road transport			
Roads and streets	7,185,500	7,183,165	6,695,136
Street lighting	670,000	673,975	629,082
Traffic services	367,700	343,872	323,817
Parking	378,700	348,221	330,535
Storm sewer	2,451,300	2,491,317	2,336,803
Public transit (note 4)			
Operating subsidy	1,625,000	1,539,580	1,475,268
Interest expense and capital debt retirement	700,500	688,192	611,611
	18,520,200	18,685,495	17,109,306

ENVIRONMENTAL DEVELOPMENT SERVICES

Administration	157,126	181,212	137,046
Research and planning	795,398	787,025	798,663
Environment and infrastructure	60,892	49,265	48,741
Real estate management	831,190	734,737	729,848
Market Square Corporation	207,000	174,770	196,913
Environment committee	2,000	628	704
Preservation Review Board	20,000	29,998	20,052
Port promotion	282,400	184,904	143,819
Economic Development	179,960	110,238	195,470
Fundy Regional Development	35,000	35,000	35,000
Saint John Trade and Convention Centre (note 5)	427,400	394,442	397,622
Market Square Common Area (note 4)	3,380,000	2,967,578	3,432,867
Tourism	725,748	687,862	636,438
City market	314,100	299,824	290,245
Public celebrations and receptions	45,000	36,885	14,066
	7,463,214	6,674,368	7,077,494

THE CITY OF SAINT JOHN
GENERAL FUND

SCHEDULE OF EXPENSE ITEMS

FOR THE YEAR ENDED DECEMBER 31, 1989

RECREATIONAL AND CULTURAL SERVICES

	Budget 1989 $	Actual 1989 $	Actual 1988 $
Recreational			
Administration	594,200	617,327	581,918
Community centres and halls	779,850	759,961	682,449
Athletics and aquatics	761,000	798,023	705,047
Golf course and driving range	446,750	499,624	427,011
Skating rinks and arenas	1,113,454	1,042,800	1,100,799
Amusement parks	452,300	479,197	415,113
Parks and playgrounds	1,966,946	2,064,903	1,952,682
Major Tournaments Committee			
- World Chess Festival	-	-	622,028
- Other	30,000	24,281	62,574
Cultural			
Administration	48,400	53,652	43,024
Museums	33,360	33,360	41,700
Libraries	238,500	225,990	209,508
Cherry Brook Zoo	100,000	100,020	90,000
Band concerts	15,200	16,799	15,521
Grants	769,325	957,226	706,354
	7,349,285	7,673,163	7,655,728

FISCAL SERVICES

Interest on long-term debt			
Debenture debt	3,483,985	3,416,456	3,570,252
Other long-term debt	436,950	430,908	441,061
Principal instalments			
Debenture debt	4,987,883	4,987,883	4,756,133
Other long-term debt	276,805	276,805	273,047
Capital projects financed by the Operating Fund	1,600,000	3,000,000	1,750,000
Short-term financing costs (revenue)	56,677	(651,187)	(261,051)
	10,842,300	11,460,865	10,529,442

THE CITY OF SAINT JOHN

WATER & SEWERAGE UTILITY

1989 FINANCIAL STATEMENTS

THE CITY OF SAINT JOHN
WATER AND SEWERAGE UTILITY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1989

Coopers
&Lybrand

Coopers
&Lybrand

chartered accountants

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a member firm of
Coopers & Lybrand (International)

February 16, 1990

AUDITORS' REPORT

TO HER WORSHIP THE MAYOR AND MEMBERS OF
COMMON COUNCIL OF THE CITY OF SAINT JOHN

We have examined the Operating Fund Balance Sheet and the Capital and Loan Fund Balance Sheet of The City of Saint John Water And Sewerage Utility as at December 31, 1989 and the related Statements of Revenue and Expenses and Equity and Statement of Source and Application of Capital Financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The City of Saint John Water And Sewerage Utility as at December 31, 1989 and the results of its operations and the changes in its equity for the year then ended in accordance with accounting principles generally accepted for municipalities applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

CHARTERED ACCOUNTANTS

Resident Partners
L R Coleman
J D Craig
H R Tidby
P Whitman
L G Wilson

THE CITY OF SAINT JOHN

WATER AND SEWERAGE UTILITY

OPERATING FUND BALANCE SHEET AS AT DECEMBER 31, 1989

A S S E T S

	1989 $	1988 $
ACCOUNTS RECEIVABLE	1,333,273	1,218,297
DUE FROM WATER AND SEWERAGE UTILITY CAPITAL AND LOAN FUND	694,778	1,845,367
INVENTORY OF MATERIALS AND SUPPLIES, AT THE LOWER OF COST AND REPLACEMENT COST	437,946	457,567
	2,465,997	3,521,231

L I A B I L I T I E S A N D E Q U I T Y

ACCRUED CHARGES	933,906	1,406,807
INTEREST PAYABLE ON LONG-TERM DEBT	585,031	620,840
DUE TO GENERAL OPERATING FUND	704,708	1,406,689
	2,223,645	3,434,336
EQUITY	242,352	86,895
	2,465,997	3,521,231

SIGNED ON BEHALF OF THE COUNCIL

_____
Mayor

_____
Chairman
Finance Committee

Coopers &Lybrand

THE CITY OF SAINT JOHN

WATER AND SEWERAGE UTILITY

OPERATING FUND STATEMENT OF EQUITY

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989 $	1988 $
EQUITY (DEFICIT) - BEGINNING OF YEAR	86,895	(68,198)
Excess revenue for the year	155,457	155,093
EQUITY - END OF YEAR	242,352	86,895

THE CITY OF SAINT JOHN

WATER AND SEWERAGE UTILITY

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1989

	Budget 1989 $	Actual 1989 $	Actual 1988 $
REVENUE			
Charges to Customers			
Water rates, flat and metered	4,947,375	5,547,937	5,294,825
Sewerage rates, flat and metered	4,070,479	4,015,637	3,808,043
Miscellaneous	80,000	77,801	81,392
	9,097,854	9,641,375	9,184,260
Charges to General Operating Fund			
Water supply for fire protection (note 3)	1,888,000	1,856,663	1,830,325
Storm sewerage (note 3)	2,451,300	2,491,317	2,336,803
	4,339,300	4,347,980	4,167,128
Grant, Environment New Brunswick (note 4)	711,439	711,439	711,439
	14,148,593	14,700,794	14,062,827
EXPENSES			
Water supply			
Purification and treatment	542,600	439,670	502,706
Transmission and distribution	2,228,400	2,329,362	2,216,245
Pumping	597,300	554,530	573,503
Sewerage collection and disposal			
Sewerage collection system	1,191,140	1,248,630	995,500
Sewerage treatment and disposal	1,330,100	1,335,174	1,369,527
Billing and collection	311,300	297,729	301,048
Administration and general government services (note 3)	2,124,200	2,070,328	1,965,626
Bad debt expense (recoveries)	-	(1,095)	2,382
Expenses before recovery of lease expenses	8,325,040	8,274,328	7,926,537
Recovery of lease expenses (note 5)	-	(140,058)	-
	8,325,040	8,134,270	7,926,537
EXCESS OF REVENUE OVER EXPENSES BEFORE FISCAL SERVICES	5,823,553	6,566,524	6,136,290
FISCAL SERVICES			
Interest on long-term debt			
Debenture debt	1,858,702	1,872,466	1,947,771
Other long-term debt	607,364	578,392	628,842
Principal instalments			
Debenture debt	2,509,750	2,509,750	2,372,750
Other long-term debt	643,627	643,626	593,675
Capital projects financed by the Operating Fund	-	500,000	206,859
Short-term financing costs	204,110	306,833	231,300
	5,823,553	6,411,067	5,981,197
EXCESS REVENUE FOR THE YEAR	-	155,457	155,093

THE CITY OF SAINT JOHN

WATER AND SEWERAGE UTILITY

CAPITAL AND LOAN FUND BALANCE SHEET

FOR THE YEAR ENDED DECEMBER 31, 1989

A S S E T S

	1989 $	1988 $
FIXED ASSETS (notes 1 and 2)		
Land, buildings, transmission and distribution system, plant and equipment	86,259,820	82,923,101

L I A B I L I T I E S A N D E Q U I T Y

DEBENTURE DEBT (note 2)	16,954,951	16,364,701
OTHER LONG-TERM DEBT (note 2)		
Canada Mortgage and Housing Corporation	1,919,381	2,316,992
Department of Regional Industrial Expansion	4,781,490	5,017,078
Municipal Development and Loan Board	273,601	284,028
	23,929,423	23,982,799
DUE TO WATER AND SEWERAGE UTILITY OPERATING FUND	694,778	1,845,367
DUE TO GENERAL OPERATING FUND	1,501,085	992,564
EQUITY	60,134,534	56,102,371
	86,259,820	82,923,101

Coopers &Lybrand

THE CITY OF SAINT JOHN

WATER AND SEWERAGE UTILITY

CAPITAL AND LOAN FUND STATEMENT OF EQUITY

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989 $	1988 $
EQUITY - BEGINNING OF YEAR	56,102,371	52,712,610
Debt repaid during the year by the Utility Operating Fund		
Debenture debt	2,509,750	2,372,750
Canada Mortgage and Housing Corporation	397,611	364,878
Department of Regional Industrial Expansion	235,588	218,901
Municipal Development and Loan Board	10,427	9,896
	59,255,747	55,679,035
Capital projects financed by the Operating Fund	500,000	206,859
Fixed assets purchased by the Operating Fund	378,787	216,477
EQUITY - END OF YEAR	60,134,534	56,102,371

THE CITY OF SAINT JOHN

WATER AND SEWERAGE UTILITY

STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FINANCING

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989 $	1988 $
SOURCE		
Bond issue	3,100,000	1,800,000
Increase in amount due to the General Operating Fund	508,521	136,079
Increase (decrease) in amount due to the Operating Fund	(1,150,589)	912,746
Fixed assets purchased by the Operating Fund	378,787	216,477
Capital projects financed by the Operating Fund	500,000	206,859
	3,336,719	3,272,161
APPLICATION		
Capital expenditures	3,336,719	3,272,161

THE CITY OF SAINT JOHN

WATER AND SEWERAGE UTILITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

1. SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation

The Water and Sewerage Utility financial statements have been prepared in accordance with the fund basis of accounting. The operating fund reflects the Utility's working capital and results of operations and the capital and loan fund reflects its investment in fixed assets and outstanding long-term debt.

Fixed assets and depreciation

Fixed assets are recorded at cost. Funds received through capital assistance programs, cost sharing arrangements, or loan forgiveness are treated as additions to equity in capital assets.

The Utility does not record depreciation on its fixed assets, but an amount equal to annual debt repayment is charged to operations and credited to equity in capital assets. The Utility also charges to operations all capital projects that are financed in the current year from operating funds.

Retirement pay liability

All employees upon retirement from the City of Saint John are entitled to a retirement pay bonus equal to one months pay, to a maximum of six months, for every five years of service. The Utility has made provision for employees currently with 24 years or more of service (1988 - 25 years).

Accrual accounting

The Utility follows the accrual method of accounting for revenue and expenses.

2. DEBENTURE AND OTHER LONG-TERM DEBT

The aggregate amount of principal payments required on the Utility's long-term debt in each of the next five years is as follows:

	$
1990	3,451,283
1991	3,465,046
1992	3,438,578
1993	2,796,084
1994	2,470,212

Fixed assets include $2,195,863 (1988 - $2,837,931) for which financing has not been arranged at the year end.

THE CITY OF SAINT JOHN

WATER AND SEWERAGE UTILITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

3. TRANSACTIONS WITH THE GENERAL OPERATING FUND

The Water and Sewerage Utility operating fund reimburses the general operating fund of The City of Saint John for a portion of the general government operating costs. In addition, a charge is made to the general operating fund for storm sewerage charges and water supply for fire protection.

4. GRANT, ENVIRONMENT NEW BRUNSWICK

The Utility receives annual grants from the Province of New Brunswick to offset financing costs related to the construction of sewerage treatment plants. These grants continue for a period which corresponds with the term of the long-term debt issued to finance the construction costs.

The level of assistance will remain at $711,439 until 1989, after which time it will begin to diminish until its eventual elimination in 1995.

5. RECOVERY OF LEASE EXPENSES

During the year the City of Saint John was successful in a legal dispute with the landlord of City Hall over leasing expenses. The amount of the award, net of related expenses, was $911,838 of which $771,780 was allocated to the General Operating Fund and $140,058 to the Water and Sewerage Utility.

THE CITY OF SAINT JOHN

SINKING, RESERVE & TRUST FUNDS

1989 FINANCIAL STATEMENTS

THE CITY OF SAINT JOHN
SINKING, RESERVE AND
TRUST FUNDS

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1989

Coopers
&Lybrand

Coopers &Lybrand

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Coopers & Lybrand (International)

February 16, 1990

AUDITORS' REPORT

TO HER WORSHIP THE MAYOR AND MEMBERS OF
COMMON COUNCIL OF THE CITY OF SAINT JOHN

We have examined the Sinking, Reserve and Trust Funds Balance Sheet of The City of Saint John as at December 31, 1989 and the related Statement of Changes in Equity for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Sinking, Reserve and Trust Funds of the City as at December 31, 1989 and the changes in their equity for the year then ended in accordance with accounting principles generally accepted for municipalities applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

CHARTERED ACCOUNTANTS

Resident Partners
L R Coenen
J D Craig
H R Tibby
P Wilshaw
L G Wilson

THE CITY OF SAINT JOHN

SINKING, RESERVE AND TRUST FUNDS BALANCE SHEET

AS AT DECEMBER 31, 1989

	Reserve Funds				Trust Funds										
	Sinking Fund $	Equipment Replacement Fund $	Airspace 2049 Fund $	S.J. N.P.H. Sinking Fund $	Land Sub-Division Fund $	Tucker Fund $	Recreation Development Fund $	Stockford Fund $	O'Connell Fund $	L.R. Ross Fund $	A. Carle Smith Fund $	Bi-Centennial Fund $	S.J.N.P.H. Future Development Fund $	Total 1989 $	Total 1988 $
A S S E T S															
Cash	34,404	34	-	-	10,188	136	314	114	126	42	119	-	214	45,691	47,129
Term deposits and bonds, at cost	60,000	116,000	-	750,291	465,951	89,400	75,482	77,300	43,092	17,767	14,200	504	602,607	2,312,594	2,271,673
Accrued interest	2,155	1,429	-	2,282	6,428	1,181	1,218	992	582	252	175	117	1,818	18,629	24,237
Marketable securities, at market	-	-	54,505	-	-	-	-	-	-	-	-	-	-	54,505	44,973
Land improvements	-	-	-	-	-	4,784	-	-	-	-	-	-	1,400	6,184	4,784
Due from General Operating Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000
	96,559	117,463	54,505	752,573	482,567	95,501	77,014	78,406	43,800	18,061	14,494	621	606,039	2,437,603	2,492,796
L I A B I L I T Y A N D E Q U I T Y															
Due to General Operating Fund	-	-	-	100,196	-	-	-	-	-	-	-	-	1,528	101,724	-
Due to General Capital and Loan Fund	75,000	-	-	540,200	-	-	-	-	-	-	-	-	-	615,200	643,800
Equity	21,559	117,463	54,505	112,177	482,567	95,501	77,014	78,406	43,800	18,061	14,494	621	604,511	1,720,679	1,848,996
	96,559	117,463	54,505	752,573	482,567	95,501	77,014	78,406	43,800	18,061	14,494	621	606,039	2,437,603	2,492,796

Coopers & Lybrand

THE CITY OF SAINT JOHN

SINKING, RESERVE AND TRUST FUNDS

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 1989

	Reserve Funds				Trust Funds										
	Sinking Fund $	Equipment Replacement Fund $	Airspace 2049 Fund $	S.J. N.P.H. Sinking Fund $	Land Sub-Division Fund $	Tucker Fund $	Recreation Development Fund $	Stockford Fund $	O'Connell Fund $	L.R. Ross Fund $	A. Carle Smith Fund $	Bi-Centennial Fund $	S.J.N.P.H. Future Development Fund $	Total 1989 $	Total 1988 $
INCREASES IN EQUITY															
Interest	6,312	36,325	-	80,317	45,579	9,163	7,472	7,938	4,404	1,922	1,459	57	70,309	271,257	196,941
Increase in value of securities	-	-	9,532	-	-	-	-	-	-	-	-	-	-	9,532	4,191
Transfer from Operating Fund	-	100,000	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Contributions from subdividers	-	-	-	-	34,808	-	-	-	-	-	-	-	-	34,808	17,210
	6,312	136,325	9,532	80,317	80,387	9,163	7,472	7,938	4,404	1,922	1,459	57	70,309	415,597	318,342
DECREASE IN EQUITY															
Transfers to Operating Fund	-	469,230	-	71,596	-	-	-	-	-	1,560	-	-	1,528	543,914	81,694
INCREASE (DECREASE) IN EQUITY DURING THE YEAR	6,312	(332,905)	9,532	8,721	80,387	9,163	7,472	7,938	4,404	362	1,459	57	68,781	(128,317)	236,648
EQUITY - BEGINNING OF YEAR	15,247	450,368	44,973	103,456	402,180	86,338	69,542	70,468	39,396	17,699	13,035	564	535,730	1,848,996	1,612,348
EQUITY - END OF YEAR	21,559	117,463	54,505	112,177	482,567	95,501	77,014	78,406	43,800	18,061	14,494	621	604,511	1,720,679	1,848,996

Coopers & Lybrand

THE CITY OF SAINT JOHN

SINKING, RESERVE AND TRUST FUNDS

NOTE TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

SIGNIFICANT ACCOUNTING POLICY

Accrual accounting

The City follows the accrual method of accounting for revenue and expenses.

Coopers &Lybrand

THE POWER COMMISSION OF
THE CITY OF SAINT JOHN
1989 FINANCIAL STATEMENTS

KPMG Peat Marwick Thorne

Chartered Accountants

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133 Prince William Street
Box 2388
Saint John, New Brunswick
Canada E2L 3V6

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Telefax (506) 633-8828

AUDITORS' REPORT

To the Commissioners of
The Power Commission of the City of Saint John

We have examined the balance sheet of The Power Commission of the City of Saint John as at December 31, 1989 and the statements of operations and earnings retained and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, except for the changes in accounting policies as explained in note 7, on a basis consistent with that of the preceding year.

Peat Marwick Thorne

March 2, 1990

Member firm of
Klynveld Peat Marwick Goerdeler

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

BALANCE SHEET

	December 31 1989	1988 (as restated)
ASSETS		
CURRENT ASSETS		
Cash	$ 354,881	$ 111,000
Accounts receivable (note 1)	6,061,451	5,158,253
Accrued revenue	3,416,316	3,146,911
Inventories	3,475,865	3,180,068
Prepaid expenses	106,021	88,778
	13,414,534	11,685,010
SPECIAL FUNDS (note 2)	1,782,588	2,346,050
PROPERTY, PLANT AND EQUIPMENT (note 3)		
Land, buildings, plant and equipment	31,776,596	28,635,794
Accumulated depreciation	15,082,192	14,245,495
	16,694,404	14,390,299
	$ 31,891,526	$ 28,421,359

APPROVED BY THE COMMISSION

_____ Chairman

_____ General Manager

	December 31 1989	1988 (as restated)
LIABILITIES		
CURRENT LIABILITIES		
Bank overdraft	$ -	$ 932,857
Payable to the New Brunswick Electric Power Commission	5,698,415	5,037,193
Payable to the City of Saint John	349,506	257,792
Accounts payable and accrued liabilities	445,334	572,403
Customers' deposits	70,631	59,419
Accrued bond interest	46,223	28,367
Principal due within one year on long-term debt	497,167	371,167
	7,107,276	7,259,198
LONG-TERM DEBT (note 4)	6,524,511	3,045,391
EARNINGS RETAINED AND USED FOR OPERATIONS		
Reserve for contingencies (note 2)	1,050,000	1,050,000
Reserve for indemnity insurance (note 2)	600,000	600,000
Balance retained, invested in assets (note 6)	16,609,739	16,466,770
	18,259,739	18,116,770
	$ 31,891,526	$ 28,421,359

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

STATEMENT OF OPERATIONS AND EARNINGS RETAINED

	Year ended December 31	
	1989	1988 (as restated)
Revenue	$ 54,158,316	$ 50,716,989
Electrical energy purchased	47,165,323	44,078,592
	6,992,993	6,638,397
Expenses (note 3)		
Operating and maintenance	2,380,891	2,455,935
Commercial administration	1,843,026	1,800,446
General and administration	1,272,793	1,320,836
Plant depreciation	682,453	657,400
Interest on long-term debt	459,867	300,683
Taxes	602,353	571,510
	7,241,383	7,106,810
	(248,390)	(468,413)
Other revenue	391,359	603,808
NET REVENUE	142,969	135,395
Earnings retained at beginning of year		
As previously reported	14,969,859	14,943,262
Accrued revenue (note 7)	3,146,911	3,038,113
As restated	18,116,770	17,981,375
EARNINGS RETAINED AT END OF YEAR	$ 18,259,739	$ 18,116,770

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended December 31 1989	1988 (as restated)
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net revenue	$ 142,969	$ 135,395
Items not involving cash		
Depreciation	1,201,049	1,141,037
	1,344,018	1,276,432
Changes in non-cash components of operating working capital		
Accounts receivable	(903,198)	(724,617)
Accrued revenue	(269,405)	(108,798)
Inventories	(295,797)	(585,553)
Prepaid expenses	(17,243)	11,353
Accounts payable and accrued liabilities	625,867	377,356
Customers' deposits	11,212	(1,701)
Accrued bond interest	17,856	(1,251)
	513,310	243,221
FINANCING		
Increase in long-term debt	4,000,000	1,483,224
Reduction in long-term debt	(394,880)	(332,917)
	3,605,120	1,150,307
INVESTMENTS		
Additions to property, plant and equipment	(3,505,154)	(1,810,694)
Decrease (increase) in special funds	563,462	(206,869)
	(2,941,692)	(2,017,563)
INCREASE (DECREASE) IN CASH POSITION	1,176,738	(624,035)
Cash position at beginning of year	(821,857)	(197,822)
CASH POSITION AT END OF YEAR	$ 354,881	$ (821,857)
Represented by:		
Cash	$ 354,881	$ 111,000
Bank overdraft	-	(932,857)
	$ 354,881	$ (821,857)

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1989

GENERAL

The Power Commission of the City of Saint John is the principal supplier of electrical power to the residential, general and industrial sectors of the City of Saint John.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventories consist of merchandise, construction and maintenance supplies, all valued at cost.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of any recoveries. Depreciation is provided, for assets in use, on the straight line basis at the following annual rates.

Buildings	2.5%
Transmitting equipment	3.33% and 4%
Tools, working and office equipment	10% and 20%
Rental equipment	15%
Automotive equipment	15% and 20%

Revenue

Billings to residential, general and industrial customers are rendered monthly on a cyclical basis. Municipal street lighting is billed at the end of each month. Accrued revenue is recorded in respect of the period from the last cycle billing date to the end of the fiscal year.

The Commission provides discounts to residential, general and industrial customers for prompt payment of billings. The discounts are not recorded until payment is made by the customers.

Pension costs and obligations

The total cost of pension benefits for the year includes adjustments for plan amendments and experience gains which are being amortized on a straight-line basis over the expected average remaining service life of the plan participants. The pension fund assets are reported at year end fair market values.

1. ACCOUNTS RECEIVABLE

	1989	1988
Customer accounts	$ 5,350,509	$ 4,573,180
Conservation and Electrical Improvement loans	486,045	369,808
Home Energy loans	33,098	109,906
Sundry	266,823	137,359
	6,136,475	5,190,253
Less allowance for bad debts	(75,024)	(32,000)
	$ 6,061,451	$ 5,158,253

2. SPECIAL FUNDS

The special funds are retained to provide for indemnity insurance and contingencies and are represented by the following assets.

	1989	1988
Cash	$ 157,686	$ 161,318
Accrued interest receivable	32,490	55,440
Investments, at cost (quoted market value 1989, $1,666,159; 1988, $2,200,959)	1,592,412	2,129,292
	$ 1,782,588	$ 2,346,050

The interest earned on these funds in the amount of $208,969 ($241,425 in 1988) is reflected in the financial statements in other revenue.

3. PROPERTY, PLANT AND EQUIPMENT

	1989			1988
	Cost	Accumulated depreciation	Net	Net
Land, buildings and transmitting equipment	$25,236,096	$ 12,582,840	$ 12,653,256	$ 12,170,585
Construction in progress	2,320,785	-	2,320,785	451,005
Tools, working and office equipment	977,879	490,977	486,902	494,047
Rental equipment	2,122,689	1,383,081	739,608	730,109
Automotive equipment	1,119,147	625,294	493,853	544,553
	$31,776,596	$ 15,082,192	$ 16,694,404	$ 14,390,299

Depreciation for the year amounted to $1,201,049 ($1,141,037 in 1988) and is included in these financial statements as part of the various expense categories.

4. LONG-TERM DEBT

Long-term debt consists of serial debentures payable to The City of Saint John in annual principal instalments until November 22, 1999, bearing interest and having final maturity dates as follows.

4. LONG-TERM DEBT (Continued)

Interest rate	Maturity date	1989	1988
10.50%	October 1, 1990	$ 66,667	$ 133,334
7.75%	December 1, 1991	75,000	112,500
8.25%	December 15, 1992	37,500	50,000
8.75%	December 15, 1993	30,000	37,500
10.75%	December 1, 1994	250,000	300,000
10.50%	September 1, 1996	350,000	400,000
9.50%	June 15, 1997	800,000	900,000
9.50%	June 22, 1998	1,453,000	1,500,000
10.25%	June 29, 1999	2,000,000	-
10.25%	November 22, 1999	2,000,000	-
		7,062,167	3,433,334
Less: unamortized bond discount		40,489	16,776
principal due within one year on long-term debt		497,167	371,167
		$ 6,524,511	$ 3,045,391

Principal repayments on long-term debt due within each of the next five years are as follows.

1990	$ 497,167
1991	$ 449,500
1992	$ 432,000
1993	$ 439,500
1994	$ 456,000

5. PENSION COSTS AND OBLIGATIONS

The Commission maintains a defined benefit pension plan which is available to all employees. The plan provides pensions based on years of service and is funded by employee contributions of a fixed percentage of salaries and employer contributions for the balance required to fund accrued pension benefits as determined by actuarial valuation.

An actuarial valuation is performed triannually, the latest being at January 1, 1988. Based upon an actuarial update, the accrued pension benefit obligation was $18,253,000 as at December 31, 1989. Pension fund assets at fair market value were $21,809,000 as at that date.

6. RETAINED EARNINGS

Under the regulations of the Municipalities Act, the Commission is permitted to establish a reserve fund with respect to the financing of capital assets. Transfers to such a fund in any one year may not exceed 7% of gross revenue from the sale of electric power.

The Commission has, as administrative practice, accumulated retained earnings to the extent that the annual increments complied with the 7% guideline. In no year has the amount accumulated exceeded the amount permitted by the regulations.

7. CHANGES IN ACCOUNTING POLICIES

Accrued revenue

Effective January 1, 1989 the Commission adopted retroactively the policy of accruing unbilled revenue in respect of the period from the last cycle billing date to the end of the fiscal year.

Previously, it was the Commission's policy not to accrue unbilled revenue. The effect of this change in accounting policy was to increase retained earnings at the beginning of the year by $3,146,911 and $3,038,113 and to increase current assets by $3,416,316 and $3,146,911, for 1989 and 1988 respectively. Net revenue was increased by $269,405 for 1989 and by $108,798 for 1988.

Pension costs and obligations

Effective January 1, 1989 the Commission adopted prospectively the new recommendations for accounting for pension costs and obligations issued by the Canadian Institute of Chartered Accountants. The new recommendations require the use of the accrued benefit method and best estimate assumptions in valuing pension obligations. The difference between pension fund assets and liabilities valued on this basis is amortized over the expected average remaining service life of the employee group, which is expected to be 17 years.

Previously, it was the Commission's policy to record pension expense as the actual amount contributed to the pension fund. This change in accounting policy has had no effect on the current year recorded pension expense.

KPMG Peat Marwick Thorne

Chartered Accountants

Harbour Building
133 Prince William Street
Box 2388
Saint John, New Brunswick
Canada E2L 3V6

Telephone (506) 634-1000
Telefax (506) 633-8828

AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

To the Commissioners of
The Power Commission of the City of Saint John

The audited financial statements of the Commission and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position, results of operations or changes in the financial position of the Commission. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Peat Marwick Thorne

March 2, 1990

Member firm of
KPMG Peat Marwick Goerdeler

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

SCHEDULE OF REVENUE

	Year ended December 31	
	1989	1988
Lighting and power		
Residential service	$ 25,534,337	$ 23,597,510
General and industrial service	31,897,884	30,439,329
Municipal street lighting	849,177	808,033
Area lighting	439,653	407,183
Water heater rentals	631,725	596,121
	59,352,776	55,848,176
Customers' discounts	5,194,460	5,131,187
	$ 54,158,316	$ 50,716,989

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

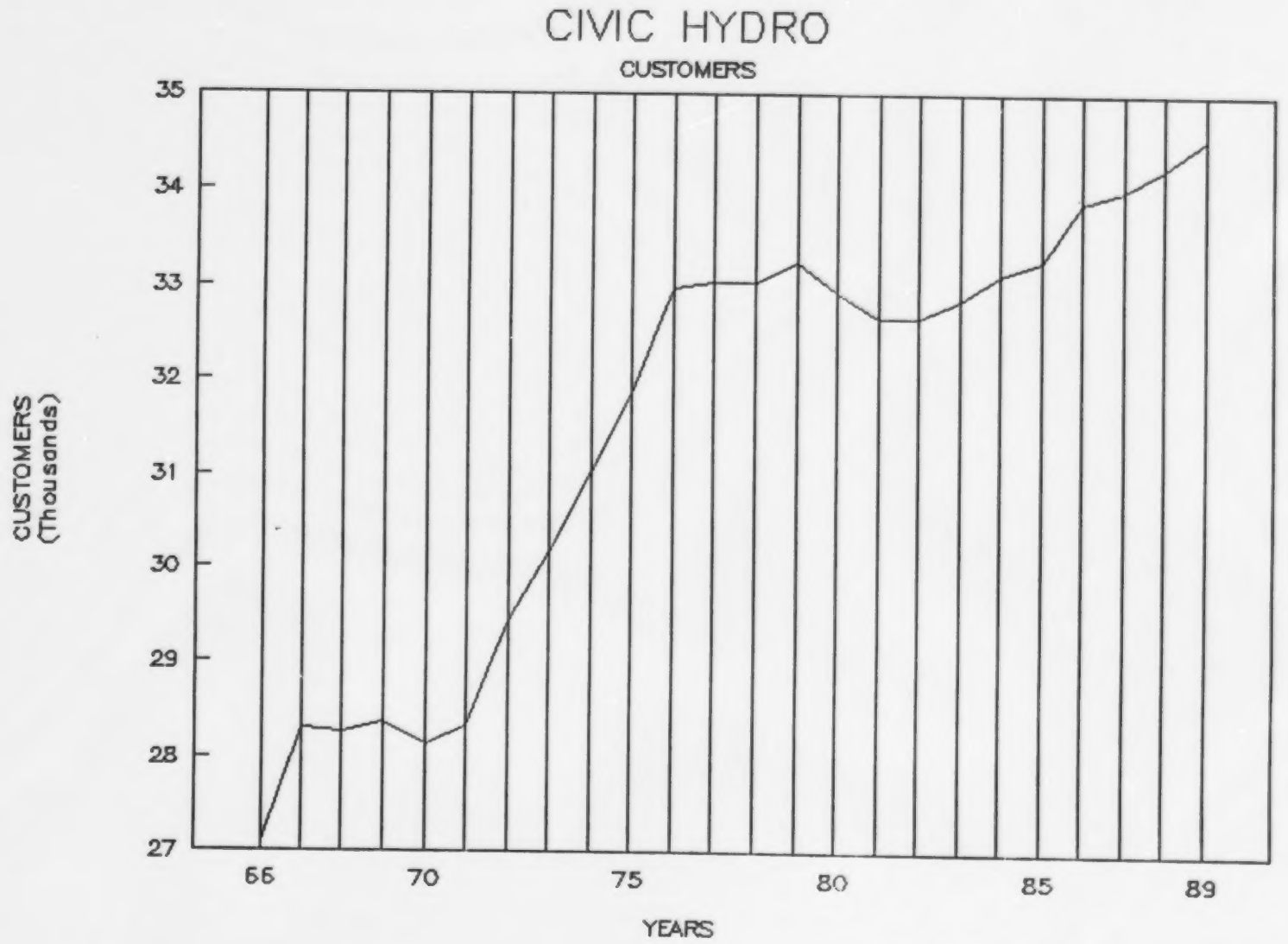
SCHEDULE OF DETAILS OF EXPENSES AND OTHER REVENUE

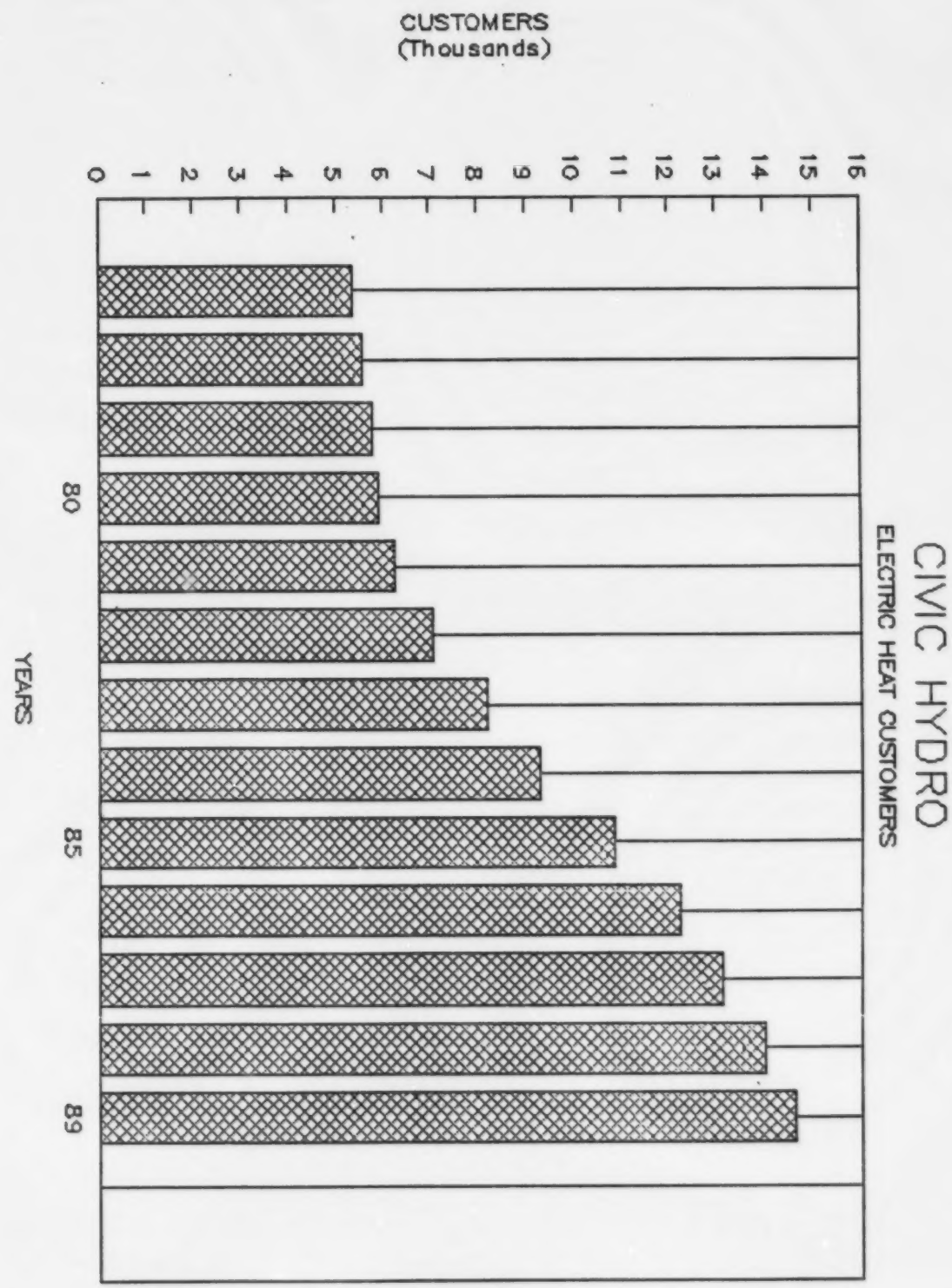
	Year ended December 31 1989	1988
OPERATING AND MAINTENANCE		
Salaries, wages and related benefits	$ 1,286,531	$ 1,401,557
Stores	77,415	81,299
Automotive equipment (including depreciation)	233,280	251,547
Other equipment	109,322	116,644
Substations	111,415	1,130
Poles, towers and fixtures	238,507	329,948
Conductors	193,167	124,085
Line transformers and devices	25,890	49,536
Meters and devices	14,667	19,168
Consumers' premises	3,643	643
Street lighting	87,054	80,378
	$ 2,380,891	$ 2,455,935
COMMERCIAL ADMINISTRATION		
Salaries	$ 1,140,257	$ 1,157,267
Meter reading supplies	7,828	6,694
Billing and collecting	79,670	84,691
Bad debt provision	150,969	109,896
Business promotion	35,582	27,222
Water heater expenses	410,985	399,383
Cost of appliances sold	17,735	15,293
	$ 1,843,026	$ 1,800,446

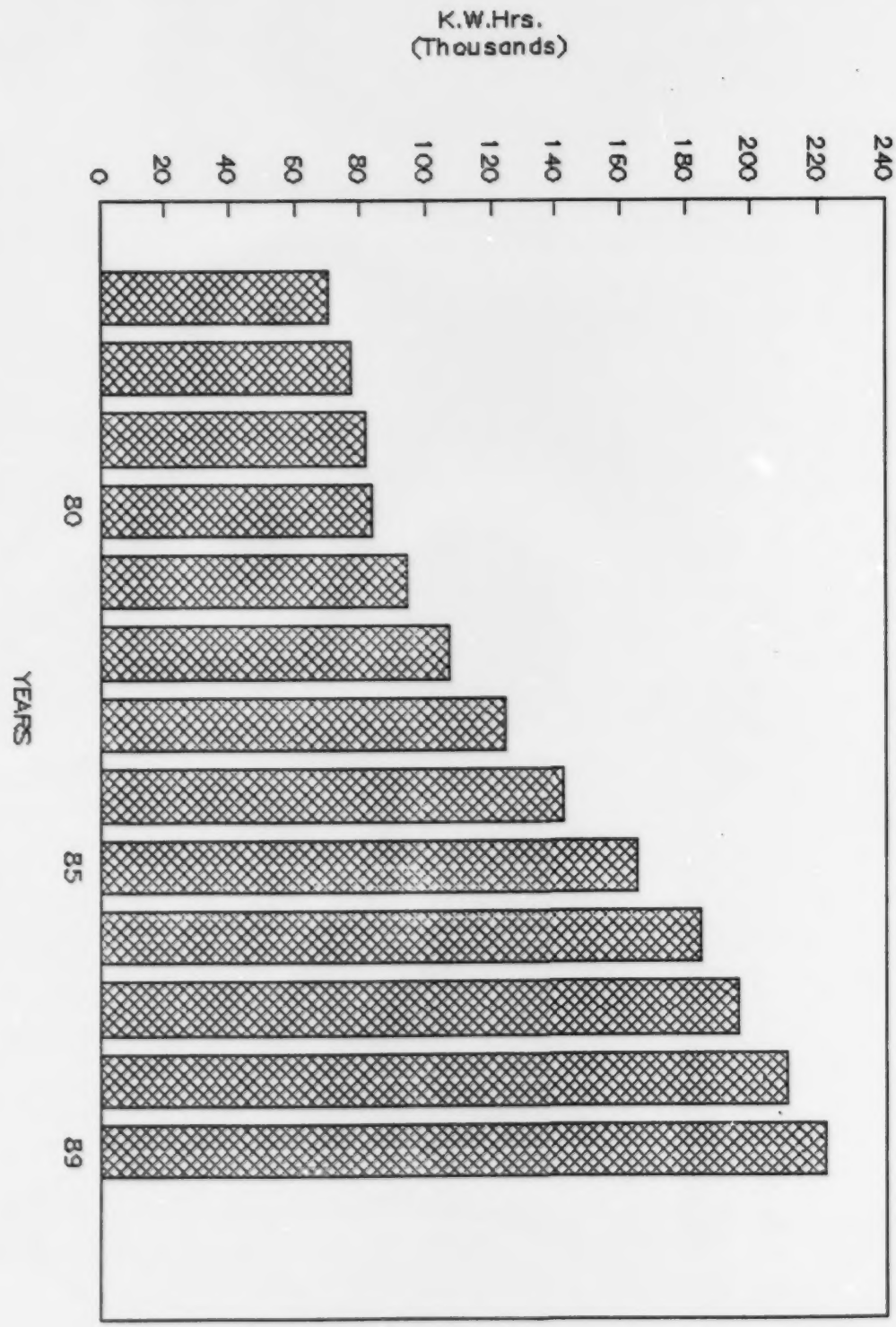
THE POWER COMMISSION OF THE CITY OF SAINT JOHN

SCHEDULE OF DETAILS OF EXPENSES AND OTHER REVENUE (Continued)

	Year ended December 31 1989	1988
GENERAL AND ADMINISTRATION		
Salaries and fees	$ 355,218	$ 339,644
Office supplies	179,310	169,375
Telephone and telegraph	35,041	35,687
Professional services	32,776	26,275
General insurance	72,053	71,708
Unemployment insurance	36,799	44,500
Group insurance	36,743	34,118
Canada Pension	27,402	26,015
Blue Cross	93,810	69,915
Workers' compensation	17,905	20,766
Employees' pension	17,126	104,264
Depreciation of furniture and office equipment	57,613	46,058
Building	191,392	216,569
Miscellaneous	119,605	115,942
	$ 1,272,793	$ 1,320,836
OTHER REVENUE		
Interest	$ 211,295	$ 413,973
Connection charges	107,985	109,984
Sundry	72,079	79,851
	$ 391,359	$ 603,808


CIVIC HYDRO
CUSTOMERS
CUSTOMERS (Thousands)
35
34
33
32
31
30
29
28
27
66
70
75
80
85
89
YEARS


CUSTOMERS
(Thousands)
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16
80
85
89
YEARS
CIVIC HYDRO
ELECTRIC HEAT CUSTOMERS


CIVIC HYDRO
ELECTRIC HEAT INSTALLED LOAD
K.W.Hrs.
(Thousands)
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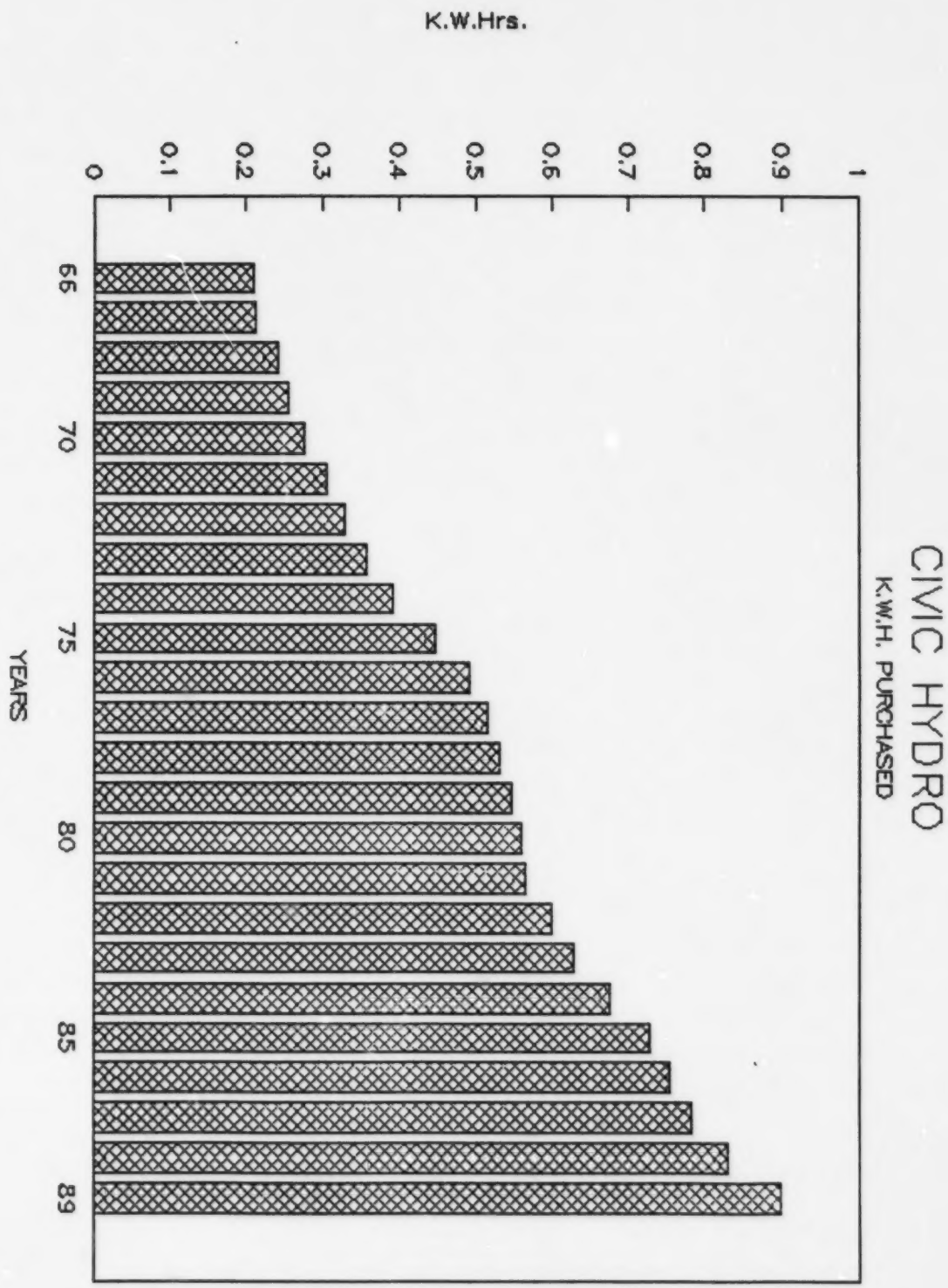
20
40
60
80
100
120
140
160
180
200
220
240
YEARS
80
85
89


K.W.Hrs.
0
0.1
0.2
0.3
0.4
0.5
0.6
0.7
0.8
0.9
1
66
70
75
80
85
89
YEARS
CIVIC HYDRO
K.W.H. PURCHASED

SAINT JOHN TRANSIT COMMISSION

1989 FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

SAINT JOHN TRANSIT COMMISSION

December 31, 1989

Ernst & Young

AUDITORS' REPORT

To the Shareholder of
Saint John Transit Commission

We have examined the balance sheet of **Saint John Transit Commission** as at December 31, 1989 and the statements of operations and equity and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Saint John, Canada,
January 19, 1990.

Ernst & Young
Chartered Accountants

Saint John Transit Commission

BALANCE SHEET

As at December 31

	1989 $	1988 $
ASSETS		
Current		
Cash	47,952	65,822
Short-term deposits	197,780	100,165
Accounts receivable *[note 2]*	151,705	85,064
Inventory of spare parts	176,677	159,124
Prepaid expenses	9,278	10,853
	583,392	421,028
Fixed *[note 3]*	3,122,485	2,951,377
	3,705,877	3,372,405
LIABILITIES AND EQUITY		
Current		
Trade accounts payable and accrued charges	451,745	370,067
Due to the City of Saint John for underexpenditure of operating subsidy	85,419	4,732
Current portion of long-term debt *[note 4]*	413,000	355,000
	950,164	729,799
Long-term debt *[note 4]*	2,671,213	2,558,106
Equity	84,500	84,500
	3,705,877	3,372,405

See accompanying notes

On behalf of the Commission:

Commissioner Commissioner

Saint John Transit Commission

STATEMENT OF OPERATIONS AND EQUITY

Year ended December 31

	1989 $	1988 $
Revenue		
Fares	1,856,466	1,760,683
Senior citizens' subsidy	50,000	50,000
Charter	99,306	94,271
Advertising	68,493	55,834
Interest	14,241	6,118
Other	10,007	14,429
	2,098,513	1,981,335
Expenditures *[schedule 1]*		
Transportation	2,294,650	2,173,592
Vehicle maintenance	1,046,671	998,243
General and administrative	296,773	284,768
	3,638,094	3,456,603
Cost of operations before undernoted items	1,539,581	1,475,268
Interest on long-term debt	329,756	295,953
Depreciation	355,090	307,817
	684,846	603,770
Total cost of operations	2,224,427	2,079,038
Subsidies from the City of Saint John		
Operating	1,539,581	1,475,268
Interest and debt reduction	684,846	603,770
	2,224,427	2,079,038
Equity	84,500	84,500

See accompanying notes

Saint John Transit Commission

STATEMENT OF CASH FLOWS

Year ended December 31

	1989 $	1988 $
Cash provided by [used for]:		
Operations		
Total cost of operations	(2,224,427)	(2,079,038)
Less depreciation, a non-cash item	355,090	307,817
Subsidies from the City of Saint John		
Operating	1,539,581	1,475,268
Interest on long-term debt	329,756	295,953
Net change in non-cash working capital balances *[note 5]*	79,745	(29,629)
	79,745	(29,629)
Financing		
Repayment of debentures	(266,000)	(226,000)
Repayment of capital leases	(89,090)	(81,817)
Long-term debt subsidy from the City of Saint John	355,090	307,817
Capital expenditures financed by the City of Saint John	526,197	458,044
	526,197	458,044
Investments		
Capital expenditures	(526,197)	(458,044)
Increase (decrease) in cash and short-term deposits	79,745	(29,629)
Cash and short-term deposits, beginning of year	165,987	195,616
Cash and short-term deposits, end of year	245,732	165,987

See accompanying notes

Saint John Transit Commission **Schedule 1**

SCHEDULE OF EXPENDITURES

Year ended December 31

	1989 $	1988 $
TRANSPORTATION		
Salaries and wages	1,589,920	1,419,274
Gas and oil	423,505	380,019
Fringe benefits	147,881	212,985
Fleet insurance	61,889	76,393
Miscellaneous	21,431	20,344
Safety awards and allowances	19,770	19,631
Tickets and schedules	15,048	16,721
Parallel transit	14,000	11,247
Uniforms	1,206	16,978
	2,294,650	2,173,592
VEHICLE MAINTENANCE		
Salaries and wages	520,643	479,144
Supplies and parts	251,430	248,069
Heat	84,845	78,835
Fringe benefits	47,677	75,099
Real estate taxes	45,454	43,598
Building maintenance	43,826	34,247
Tools and equipment	21,564	10,925
Miscellaneous	13,365	13,371
Safety awards and allowances	6,864	6,925
Miscellaneous supplies	5,686	1,986
Water	5,317	6,044
	1,046,671	998,243
GENERAL AND ADMINISTRATIVE		
Salaries	165,101	163,560
Advertising	44,752	35,731
Miscellaneous	20,096	15,023
Travel	16,904	10,674
Fringe benefits	12,470	17,684
Telephone and radio system	9,988	11,226
Professional fees	9,600	10,813
Postage, stationery and printing	8,611	10,944
Insurance	6,001	5,863
Board payments	3,250	3,250
	296,773	284,768

See accompanying notes

Saint John Transit Commission

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Saint John Transit Commission follows generally accepted accounting principles, except for depreciation accounting which is discussed below.

City of Saint John

Saint John Transit Commission was established by the City of Saint John to operate the public transit system. The City has the obligation under the Commission's Act of Incorporation to finance all net operating and capital expenditures. Any amount due to or from the City at year end results from the difference between regular monthly payments received from the City and net operating expenditures for the year.

Fixed assets

Asset acquisitions are recorded at cost, less direct funding provided by the Urban Transportation Assistance Program. Depreciation is measured as an amount equal to the annual debt reduction and is charged to operations and credited against asset costs.

Inventory

Inventory of spare parts is carried at cost or replacement cost, whichever is lower. Cost is defined as average laid down cost.

Capital lease obligations

Long-term lease transactions related to the financing of motor vehicles are accounted for as capital leases. The capitalized lease obligations reflect the present value of future rental payments discounted at the interest rate implicit in the lease; a corresponding amount has been capitalized as the cost of the leased assets.

Subsidies

Operating subsidies received from the City of Saint John are recognized as revenue when operating expenditures are incurred.

Subsidies on account of long-term debt retirement are recognized when each year s obligations of Saint John Transit Commission are funded by the City.

Transcard revenue

Transcard receipts are recognized as revenue when sales are made to the public.

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

2. ACCOUNTS RECEIVABLE

	1989 $	1988 $
Trade accounts receivable	81,566	59,666
Due from the City of Saint John for capital expenditures	70,139	25,398
	151,705	85,064

3. FIXED ASSETS

	1989 $	1988 $
Land	77,470	77,470
Building	2,996,305	2,939,805
Motor vehicles - purchased	3,320,067	2,921,266
- leased	1,294,218	1,294,218
Transportation equipment	144,417	103,680
Office equipment	50,581	41,342
Computer equipment	24,618	24,618
Maintenance equipment	91,516	70,596
Bus shelters and signs	75,535	75,535
	8,074,727	7,458,530
Deduct funding provided by the Urban Transportation Assistance Program	2,600,311	2,600,311
	5,474,416	4,948,219
Less reduction of debt related thereto	2,351,931	1,996,842
	3,122,485	2,951,377

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

4. LONG-TERM DEBT

	1989 $	1988 $
Long-term debt		
17-3/4% - March 1, 1992	180,000	240,000
17-1/2% - September 2, 1992	232,500	310,000
10-3/4% to 11-1/2% - May 16, 1993	34,000	42,500
9% to 10% - December 1, 1996	259,000	296,000
9-1/2% to 10-1/2% - December 22, 1997	344,000	387,000
10-1/4% to 10-1/2% - November 24, 1998	360,000	400,000
10-1/4% to 10-1/2% - November 23, 1999	500,000	—
Net cash advances from the City of Saint John against capital and other expenditures	525,527	499,330
Capital lease obligations, expiring in 1995	649,186	738,276
	3,084,213	2,913,106
Less current portion	413,000	355,000
	2,671,213	2,558,106

The long-term debt was incurred by the City of Saint John with respect to capital and other expenditures made on behalf of the Commission. The capital lease obligations were undertaken by the City of Saint John for the acquisition of motor vehicles and were allocated to the Commission.

Annual repayment of long-term debt for debentures and capital leases is as follows:

Year	Debentures $	Capital leases $	Total $
1990	316,000	97,000	413,000
1991	316,000	105,600	421,600
1992	316,000	115,000	431,000
1993	178,500	128,000	306,500
1994	170,000	143,000	313,000
	1,296,500	588,600	1,885,100
Thereafter	613,000	889,573	1,502,573
Net cash advances from the City of Saint John to be financed by the issuance of debentures in 1990	525,527	—	525,527
	2,435,027	1,478,173	3,913,200
Less imputed interest at 8.7%		828,987	828,987
	2,435,027	649,186	3,084,213

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

5. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES

	1989 $	1988 $
Increase (decrease) in		
Trade accounts payable and accrued charges	81,677	(22,681)
Due to the City of Saint John for underexpenditure of operating subsidy	80,687	(10,809)
Decrease (increase) in		
Accounts receivable	(66,641)	(6,249)
Inventory of spare parts	(17,553)	3,397
Prepaid expenses	1,575	6,713
	79,745	(29,629)

6. INCOME TAX

The Saint John Transit Commission qualifies as a Municipal Commission under Section 149(1)(d) of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

SAINT JOHN AQUATIC CENTRE COMMISSION

1989 FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

SAINT JOHN AQUATIC CENTER COMMISSION

December 31, 1989

Ernst & Young

AUDITORS' REPORT

To the Commissioners of
Saint John Aquatic Center Commission

We have examined the funds' balance sheets of **Saint John Aquatic Center Commission** as at December 31, 1989 and the operating fund's statement of operations, the capital fund's statement of revenue, expenditure and unexpended funds and the operating fund's statement of cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Saint John, Canada,
February 1, 1990.

Ernst & Young
Chartered Accountants

Saint John Aquatic Center Commission

BALANCE SHEET

As at December 31

	1989 $	1988 $
OPERATING FUND		
ASSETS		
Cash and term deposits	**127,514**	115,222
Accounts receivable	**95,523**	38,426
Due from the City of Saint John	**79,648**	109,108
Inventory	**32,537**	44,241
Prepaid expenses	**16,001**	10,485
	351,223	317,482
LIABILITIES		
Accounts payable and accrued charges	**126,673**	101,906
Unearned revenue	**105,981**	97,007
Due to Capital Fund	**118,569**	118,569
	351,223	317,482
CAPITAL FUND		
ASSETS		
Due from Operating Fund	**118,569**	118,569
Fixed assets *[note 2]*	**513,220**	451,542
	631,789	570,111
EQUITY AND UNEXPENDED FUNDS		
Equity in fixed assets	**513,220**	451,542
Unexpected funds	**118,569**	118,569
	631,789	570,111

See accompanying notes

On behalf of the Commission:

Commissioner Commissioner

Saint John Aquatic Center Commission

STATEMENT OF OPERATIONS

Year ended December 31

	1989		1988
	Actual $	Budget $	Actual $
OPERATING FUND			
Revenue			
Program activities	1,079,672	1,165,487	1,116,090
Interest allocated from capital fund	10,697	—	—
	1,090,369	1,165,487	1,116,090
Expenses			
Maintenance	673,476	676,722	656,166
Administration	284,166	291,921	297,277
Program	729,079	746,844	703,192
	1,686,721	1,715,487	1,656,635
Net cost of operations	596,352	550,000	540,545
Subsidy from the City of Saint John	596,352	550,000	540,545

See accompanying notes

Saint John Aquatic Center Commission

STATEMENT OF REVENUE, EXPENDITURE AND UNEXPENDED FUNDS

Year ended December 31

	1989 $	1988 $
CAPITAL FUND		
Revenue		
City of Saint John	61,678	40,000
Interest	10,697	10,634
	72,375	50,634
Expenditure		
Purchase of fixed assets	61,678	43,450
Allocation of interest to operating fund	10,697	—
	72,375	42,400
Net revenue for the year	—	7,184
Unexpended funds, beginning of year	118,569	111,385
Unexpended funds, end of year	118,569	118,569

See accompanying notes

Saint John Aquatic Center Commission

STATEMENT OF CASH FLOWS

Year ended December 31

	1989 $	1988 $
OPERATING FUND		
Cash provided by (used for)		
Operations		
Net cost of operations	(596,352)	(540,545)
Subsidy from the City of Saint John	596,352	540,545
	—	—
Net change in non-cash working capital balances		
Accounts receivable	(57,097)	9,872
Due from (to) the City of Saint John	29,460	(127,271)
Inventory	11,704	564
Prepaid expenses	(5,516)	58
Accounts payable and accrued charges	24,767	(22,325)
Unearned revenue	8,974	14,219
Due to Capital Fund	—	7,184
Increase (decrease) in cash and term deposits	12,292	(117,699)
Cash and term deposits, beginning of year	115,222	232,921
Cash and term deposits, end of year	127,514	115,222

See accompanying notes

Saint John Aquatic Center Commission

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

1. SIGNIFICANT ACCOUNTING POLICIES

The Commission is incorporated under the laws of New Brunswick. The financial statements have been prepared by management in accordance with generally accepted accounting principles, the more significant of which are outlined below.

Basis of accounting

The Saint John Aquatic Center Commission follows generally accepted accounting principles, except for depreciation accounting which is discussed below.

City of Saint John

The Saint John Aquatic Center Commission was established by the City of Saint John to operate the Canada Games Aquatic Center. The City has the obligation under the Commission's Act of Incorporation to finance all net operating and capital expenditures. Any amount due to or from the City at the year-end results from the difference between regular monthly payments received from the City and net expenditures for the year.

Subsidy

Operating subsidies received from the City of Saint John are recognized as revenue when the operating expenses are incurred.

Inventory

Inventory is recorded at the lower of cost and replacement cost. Cost is defined as laid-down cost, determined on a first-in, first-out basis.

Fixed assets and depreciation

Fixed assets are initially recorded at cost. As these assets are financed by grants, no depreciation is recorded.

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

2. FIXED ASSETS

	1989 $	1988 $
Administrative	107,979	102,955
Maintenance	139,656	86,686
Program	104,066	100,382
Pedway	75,562	75,562
Facility improvements	85,957	85,957
	513,220	451,542

3. INCOME TAX

The Saint John Aquatic Center Commission qualifies as a Municipal Commission under Section 149(1)(d) of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

SAINT JOHN PARKING COMMISSION

1989 FINANCIAL STATEMENTS

SAINT JOHN PARKING COMMISSION

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1989

Coopers
&Lybrand

Coopers
&Lybrand

chartered accountants

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Canada E2L 4B9

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a member firm of
Coopers & Lybrand (International)

March 12, 1990

AUDITORS' REPORT TO THE MEMBERS OF
SAINT JOHN PARKING COMMISSION

We have examined the balance sheet of the Saint John Parking Commission as at December 31, 1989 and the statements of income and equity, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1989 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

CHARTERED ACCOUNTANTS

Resident Partners
L R Coeman
J D Craig
H A Tidby
R D Urquhart
P Wishaw
L G Wilson

SAINT JOHN PARKING COMMISSION

BALANCE SHEET AS AT DECEMBER 31, 1989

A S S E T S

	1989 $	1988 $
CURRENT ASSETS		
Cash	2,245	2,885
Accounts receivable - trade	6,796	3,157
Due from City of Saint John	1,374,297	1,122,957
Other receivable	53,775	31,095
	1,437,113	1,160,094
PROPERTY AND LEASEHOLD IMPROVEMENTS		
Land, off-street parking lots at cost	193,619	193,619
Parking garage - land and structure (note 3)	4,928,600	5,086,600
Leasehold improvements at cost less accumulated amortization	67,252	79,891
	5,189,471	5,360,110
	6,626,584	6,520,204

L I A B I L I T I E S A N D E Q U I T Y

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	86,819	78,234
Parking permit deposits	3,917	3,288
Rents received in advance	2,581	7,891
Deferred income	4,023	-
Current portion of debenture debt (note 4)	173,000	158,000
	270,340	247,413
DEBENTURE DEBT (note 4)	3,486,000	3,659,000
EQUITY	2,870,244	2,613,791
	6,626,584	6,520,204

APPROVED BY THE COMMISSION

_____
Chairman

Coopers & Lybrand

SAINT JOHN PARKING COMMISSION

STATEMENT OF INCOME AND EQUITY

FOR THE YEAR ENDED DECEMBER 31, 1989

	Budget 1989 $	Actual 1989 $	Actual 1988 $
INCOME			
Parking lot rentals	638,790	637,180	616,233
Chipman Hill rental	538,400	538,400	539,785
Chipman Hill parking garage (note 3)	-	12,944	-
	1,177,190	1,188,524	1,156,018
EXPENSES			
Direct			
Ground rent/leasing costs	110,940	94,140	82,443
Maintenance and repairs	34,000	26,819	30,841
Parking lot supervision	33,000	28,049	30,379
Parking lot attendants	102,300	102,092	100,381
Power	2,760	1,922	2,130
Real estate taxes	96,000	108,257	97,802
Snow removal	24,000	23,909	18,391
Amortization of leasehold improvements	58,800	42,675	57,600
Depreciation	158,400	158,000	145,000
	620,200	585,863	564,967
Administrative			
Advertising	12,000	12,100	9,150
Commission expenses	3,600	2,485	3,078
Office	17,000	15,048	25,920
Postage	3,600	4,025	3,480
Professional fees	6,000	3,820	1,460
Salaries	72,000	71,126	66,381
Telephone	5,400	4,461	7,259
Travel	5,500	2,421	3,866
Miscellaneous	4,860	3,074	2,760
Convention	5,500	4,663	4,328
Debenture interest	380,400	380,400	394,785
Parking study	-	108	58,155
Monitoring program	42,000	-	-
Site Feasibility Study	30,000	15,000	-
	587,860	518,731	580,622
	1,208,060	1,104,594	1,145,589
INCOME (LOSS) FROM OPERATIONS	(30,870)	83,930	10,429
OTHER INCOME			
Interest income	78,000	137,653	90,384
Administrative revenue	20,040	32,875	30,465
Miscellaneous	-	1,995	1,979
	98,040	172,523	122,828
NET INCOME FOR THE YEAR	67,170	256,453	133,257
EQUITY - BEGINNING OF YEAR	2,613,791	2,613,791	2,480,534
EQUITY - END OF YEAR	2,680,961	2,870,244	2,613,791

SAINT JOHN PARKING COMMISSION

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989 $	1988 $
OPERATING ACTIVITIES		
Net income for the year	256,453	133,257
Items not affecting cash -		
Depreciation	158,000	145,000
Amortization	42,675	57,600
	457,128	335,857
Cash provided by (invested in) non-cash working capital:		
Accounts receivable - trade	(3,639)	8,042
Due from City of Saint John	(251,340)	(204,084)
Other receivable	(22,680)	3,165
Accounts payable and accrued liabilities	8,585	34,763
Parking permit deposits	629	123
Rents received in advance	(5,310)	4,661
Deferred income	4,023	-
	187,396	182,527
FINANCING ACTIVITIES		
Repayment of debenture debt	(158,000)	(145,000)
INVESTING ACTIVITIES		
Purchase of land and leasehold improvements	(30,036)	(37,522)
(DECREASE) INCREASE IN CASH DURING YEAR	(640)	5
CASH - BEGINNING OF YEAR	2,885	2,880
CASH - END OF YEAR	2,245	2,885

SAINT JOHN PARKING COMMISSION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

1. GENERAL

The Commission is incorporated under an Act of the New Brunswick legislature and its principal activity is the administration and development of parking in the City of Saint John.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation and amortization

The Commission has adopted the policy of recording depreciation on the Parking Garage at an amount equal to the principal payment on long-term debt.

Leasehold improvements to leased parking lots are being amortized on a straight-line basis over four or five years depending upon the period of the leases.

3. PARKING GARAGE - LAND AND STRUCTURE

	1989 $	1988 $
Land	1,250,000	1,250,000
Parking garage structure - at cost	4,114,600	4,114,600
Less: Accummulated depreciation	(436,000)	(278,000)
	3,678,600	3,836,600
	4,928,600	5,086,600

In 1977, Brunswick Square Ltd. conveyed land to the Commission on which the Chipman Hill Parking Garage is located subject to the condition that the land always be used for a parking structure. This land is recorded in the accounts of the Commission at an amount estimated to be its fair market value at the time of conveyance from Brunswick Square Ltd.

Effective December 1, 1987, the Commission, Brunswick Square Ltd. and the City of Saint John entered into an agreement whereby the Commission agreed to lease the Chipman Hill Parking Garage to Brunswick Square Ltd. for a period of fifteen years. In addition to paying rent equal to the Commission's interest and capital payments on its debenture debt, Brunswick Square Ltd. has agreed to pay to the Commission one-third of the operating profits of the Parking Garage to a maximum of $895,257. The Commission's share of operating profits for the year ended December 31, 1989 was $12,944 (1988 - $Nil).

Brunswick Square Ltd. has agreed to purchase the Parking Garage on December 1, 2001 at a price of $895,258 less any amounts paid to the Commission out of operating profits as noted above.

SAINT JOHN PARKING COMMISSION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

4. DEBENTURE DEBT

The amount of principal payments required on debenture debt in each of the next five years is as follows:

	$
1990	173,000
1991	189,000
1992	208,000
1993	228,000
1994	250,000

5. MUNICIPAL GRANT - CITY OF SAINT JOHN

Under the terms of an agreement between the City of Saint John and the Saint John Parking Commission, the City has agreed to give the Commission an annual grant equal to the municipal portion of any property and business taxes levied on the Chipman Hill Parking Garage. Since 1979 the accumulated municipal portion of such taxes is $1,013,178.

SAINT JOHN NON PROFIT HOUSING INCORPORATED

1989 FINANCIAL STATEMENTS

SAINT JOHN NON PROFIT HOUSING INCORPORATED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1989

Coopers
&Lybrand

Coopers
&Lybrand

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a member firm of
Coopers & Lybrand (Internationa

May 10, 1990

AUDITORS' REPORT TO THE DIRECTORS

We have examined the balance sheet of Saint John Non Profit Housing Incorporated as at December 31, 1989 and the statements of income and operating surplus, reserves and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Saint John Non Profit Housing Incorporated as at December 31, 1989 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

CHARTERED ACCOUNTANTS

Resident Partners
L A Coleman
J D Craig
M R Tidby
R D Urquhart
P Wilshaw
L G Wilson

SAINT JOHN NON PROFIT HOUSING INCORPORATED

BALANCE SHEET AS AT DECEMBER 31, 1989

ASSETS

	1989 $	1988 $
CASH	115,794	207,826
PREPAID EXPENSES	2,345	59,471
ACCOUNTS RECEIVABLE	209,996	62,863
INTEREST RECEIVABLE	3,978	2,951
	332,113	333,111
RESTRICTED CASH AND DEPOSITS (note 2)	766,106	674,854
DUE FROM CITY OF SAINT JOHN	-	14,648
LAND, BUILDINGS AND FIXTURES (notes 3 and 4)	16,093,786	15,208,607
	17,192,005	16,231,220

LIABILITIES

ACCOUNTS PAYABLE AND ACCRUED CHARGES	354,802	336,989
LONG-TERM DEBT (note 4)	16,302,326	15,474,295
	16,657,128	15,811,284

SURPLUS AND RESERVES

OPERATING DEFICIT	(22,689)	(7,869)
REPLACEMENT RESERVE (note 2)	395,579	270,698
SUBSIDY SURPLUS RESERVE (note 2)	138,191	124,140
CARPET REPLACEMENT RESERVE (note 2)	23,796	32,967
	534,877	419,936
	17,192,005	16,231,220

SIGNED ON BEHALF OF THE BOARD

_____
Director

_____
Director

Coopers & Lybrand

SAINT JOHN NON PROFIT HOUSING INCORPORATED

STATEMENT OF RESERVES

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989								1988
	Rotary Admiral Beatty $	Bicentennial Court $	Harbourside $	South End Projects $	46 - 56 St. James Street $	North End Projects $	West Side Projects $	Total $	Total $
REPLACEMENT RESERVE (note 2)									
Balance - beginning of year	71,761	14,439	167,998	9,500	7,000	-	-	270,698	198,500
Less: Development costs (note 6)	-	-	-	(17,799)	-	-	-	(17,799)	-
Capital purchases	-	-	-	-	-	-	-	-	(38,000)
Add: Provision for the year	34,800	4,575	25,000	9,500	7,000	8,500	1,625	91,000	80,875
Interest income for the year	11,236	2,118	33,999	1,498	1,104	1,680	45	51,680	29,323
Balance - end of year	117,797	21,132	226,997	2,699	15,104	10,180	1,670	395,579	270,698
Excess mortgage funds received	-	-	109,574	21,012	24,463	53,491	-	208,540	155,049
Restricted cash	117,797	21,132	336,571	23,711	39,567	63,671	1,670	604,119	425,747
SUBSIDY SURPLUS RESERVE (note 2)									
Balance - beginning of year	65,335	10,986	47,819	-	-	-	-	124,140	115,143
Add: Investment income for the year	7,399	1,235	5,417	-	-	-	-	14,051	8,997
Balance - end of year (note 2)	72,734	12,221	53,236	-	-	-	-	138,191	124,140
CARPET REPLACEMENT RESERVE									
Balance - beginning of year	-	-	32,967	-	-	-	-	32,967	-
Less: Purchases	-	-	(12,197)	-	-	-	-	(12,197)	-
Add: Transfer for the year	-	-	-	-	-	-	-	-	32,967
Interest income for the year	-	-	3,026	-	-	-	-	3,026	-
Balance - end of year (note 2)	-	-	23,796	-	-	-	-	23,796	32,967

Coopers &Lybrand

SAINT JOHN NON PROFIT HOUSING INCORPORATED

SCHEDULE OF INCOME AND OPERATING SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989 Budget $	1989 Actual $	1988 Actual $
REVENUE			
Rentals	1,216,010	1,217,134	1,146,218
Washers and dryers	11,790	16,485	9,696
Interest	11,000	32,097	17,576
	1,238,800	1,265,716	1,173,490
Subsidy - C.M.H.C. (note 5)	1,280,652	1,155,667	1,180,809
- N.B.H.C. (note 5)	421,657	414,218	340,831
Total Revenue	2,941,109	2,835,601	2,695,130
EXPENSES			
Operating			
Electricity	87,975	85,365	83,170
Masonry	-	-	32,451
Repairs and maintenance	171,525	121,635	122,698
Snow removal	8,800	6,350	1,673
Telephone	18,200	17,667	15,359
Wages and benefits	108,027	99,039	99,658
Garbage removal	8,000	7,457	6,740
Water rates	36,550	28,318	22,928
	439,077	365,831	384,677
Administrative and general			
Administration fees	85,639	84,564	76,578
Professional fees	10,125	7,865	14,131
Depreciation	62,066	71,071	51,550
Insurance	28,487	13,848	19,696
Interest	1,929,500	1,841,536	1,785,149
Office expense	6,475	8,205	2,447
Property taxes	269,925	297,281	216,933
Development costs (note 6)	(17,799)	(17,799)	17,799
	2,374,418	2,306,571	2,184,283
Total expenses	2,813,495	2,672,402	2,568,960
INCOME BEFORE REPAYMENT OF EXCESS SUBSIDY RECEIVED FROM C.M.H.C. AND N.B.H.C.	127,614	163,199	126,170
EXCESS SUBSIDY RECEIVED FROM C.M.H.C. (note 5)	-	(28,509)	(59,565)
EXCESS SUBSIDY RECEIVED FROM N.B.H.C. (note 5)	-	(58,510)	(18,532)
NET INCOME FOR THE YEAR	127,614	76,180	48,073
ALLOCATION TO REPLACEMENT RESERVE (note 2)	91,035	91,000	80,875
	36,579	(14,820)	(32,802)
OPERATING SURPLUS (DEFICIT) - BEGINNING OF YEAR	(7,869)	(7,869)	24,933
OPERATING SURPLUS (DEFICIT) - END OF YEAR	28,710	(22,689)	(7,869)

Coopers & Lybrand

SAINT JOHN NON PROFIT HOUSING INCORPORATED

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989 $	1988 $
OPERATING ACTIVITIES		
Provided from operations:		
Net income for the year	76,180	48,073
Items not affecting cash -		
Depreciation	71,071	51,550
	147,251	99,623
Cash provided from (used in) non-cash operating items -	(58,573)	(9,996)
Transfer to replacement reserve	(91,000)	(80,875)
Excess mortgage funds transferred to restricted cash	(53,491)	(45,475)
	(55,813)	(36,723)
FINANCING ACTIVITIES		
Proceeds from issue of long-term debt -		
Westside Projects	901,640	-
North End Projects	-	1,077,000
46-56 St. James Street	-	675,015
Advances from (repayment to) City of Saint John -		
Rotary Admiral Beatty Commercial Space	(18,000)	-
Rotary Admiral Beatty	65,334	7,466
South End Queen Street Projects	66,753	(60,591)
46-56 St. James Street	-	(458,957)
North End Projects	-	(56,701)
Westside Projects	(142,093)	160,861
Repayment of other long-term debt	(45,603)	(51,550)
	828,031	1,292,543
INVESTING ACTIVITIES		
Purchase of fixed assets		
Rotary Admiral Beatty	(72,801)	(7,466)
South End Projects	-	(170,947)
46-56 St. James Street	-	(191,596)
North End Projects	(57,149)	(909,659)
Westside Projects	(759,547)	(160,861)
Queen Street	(66,753)	-
Decrease (increase) in mortgage funds temporarily invested	92,000	160,550
	(864,250)	(1,279,979)
DECREASE IN CASH	(92,032)	(24,159)
CASH - BEGINNING OF YEAR	207,826	231,985
CASH - END OF YEAR	115,794	207,826

Coopers & Lybrand

SAINT JOHN NON PROFIT HOUSING INCORPORATED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

1. ACCOUNTING POLICY

Fixed assets and depreciation

Asset additions which are specifically identified as being part of the original project costs and are financed by long-term debt are capitalized. These assets are depreciated at amounts equal to the principal payments on the related long-term debt.

Other asset additions are charged to the appropriate replacement reserve fund to the extent that a reserve fund is available, excess additions are expensed in the year.

2. RESTRICTED CASH AND DEPOSITS

	1989 $	1988 $
Replacement reserve fund		

The terms of an agreement with Canada Mortgage and Housing Corporation (C.M.H.C.) provide for transfers of $4,575 per year for Bicentennial Court (to a maximum of $45,750), $25,000 per year for Harbourside (to a maximum of $250,000), $34,800 per year for Rotary Admiral Beatty (to a maximum of $348,000) and $7,000 per year for 46-56 St. James Street (to a maximum of $70,000), and the terms of an agreement with New Brunswick Housing Corporation (N.B.H.C.) provide for the transfer of $9,500 per year for South End Projects (to a maximum of $95,000) and $8,500 per year for North End Projects (to a maximum of $85,000), and $6,500 per year for West Side Projects (to a maximum of $65,000) to reserve funds for the future replacement of fixed assets. In accordance with options provided by C.M.H.C. and N. B. H. C. additional amounts of $109,574 in 1985 for Harbourside, $21,012 for South End Projects and $24,463 for 46-56 St. James Street in 1988 and $53,491 in 1989 for North End Projects have been transferred to the respective reserve funds. These special transfers represent amounts of mortgage financing received in excess of the capital cost of the projects and form part of the maximum transfers to the reserve funds. These funds, along with accumulated interest, must be held in a separate bank account and/or invested in government bonds or other such securities acceptable to C.M.H.C and N.B.H.C. The funds in the account may only be used for the replacement of capital equipment.

Rotary Admiral Beatty	117,797	71,761
Bicentennial Court	21,132	14,439
Harbourside	336,571	277,572
South End Projects	23,711	30,513
46-56 St. James Street	39,567	31,462
North End Projects	63,671	-
Westside Projects	1,670	-
Carried forward	604,119	425,747

Coopers & Lybrand

SAINT JOHN NON PROFIT HOUSING INCORPORATED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

2. RESTRICTED CASH AND DEPOSITS (cont'd)	1989 $	1988 $
Brought forward	604,119	425,747
Subsidy surplus fund		
Under the terms of the agreement with Canada Mortgage and Housing Corporation (C.M.H.C.), excess federal assistance payments received may be retained in a subsidy surplus fund up to a maximum of $500 per unit plus interest thereon. The reserve is to be comprised of monies deposited in a special bank account and/or invested in government bonds or other such securities acceptable to C.M.H.C. The funds in this account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum federal assistance. The interest earned in the fund is to accrue and be maintained in the fund. The agreement provides that up to 10% of any operating surplus, after accumulating the maximum subsidy surplus fund, may be transferred to other projects assisted under this program that are owned by the recipient and require additional assistance.		
Bicentennial Court	12,221	10,986
Rotary Admiral Beatty	72,734	65,335
Harbourside	53,236	47,819
Mortgage funds temporarily invested	-	92,000
Carpet replacement reserve fund	23,796	32,967
	766,106	674,854

3. LAND, BUILDINGS AND FIXTURES	1989 $	1988 $
COST		
Rotary Admiral Beatty (net of donations of $350,000 from the Rotary Club and $167,706 from the City of Saint John)	6,248,634	6,175,833
Bicentennial Court	1,011,539	1,011,539
Harbourside	4,814,011	4,814,011
South End Projects	1,551,538	1,551,538
46-56 St. James Street	650,553	650,553
North End Projects	1,023,509	966,360
Westside Projects	920,408	160,861
Queen Street	66,753	-
	16,286,945	15,330,695
ACCUMULATED DEPRECIATION	193,159	122,088
	16,093,786	15,208,607

Coopers &Lybrand

SAINT JOHN NON PROFIT HOUSING INCORPORATED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

4. LONG-TERM DEBT

	1989 $	1988 $
Metropolitan Trust Company of Canada, 11% mortgage payable in monthly instalments of $14,436 including interest, maturing December 1, 1992, amortized to December 1, 2022. This mortgage is secured by the assets of the South End Projects and a general assignment of rentals.	1,563,485	1,568,260
Morguard Investments Limited, 12 1/4% mortgage payable in monthly instalments of $9,954 including interest, maturing April 1, 1991, amortized to April 1, 2021. The interest rate is subsidized by Canada Mortgage and Housing Corporation to an effective rate of interest of 2%. This mortgage is secured by the assets of Bicentennial Court and a general assignment of rentals.	975,608	978,308
Canada Trust, 11 3/4% mortgage payable in monthly instalments of $57,231 including interest, maturing April 1, 1991, amortized to April 1, 2021. The interest rate on this amount is subsidized by Canada Mortgage and Housing Corporation to an effective rate of interest of 2%. The mortgage is secured by the Rotary Admiral Beatty complex.	5,799,223	5,819,458
CIBC Mortgage Corporation, 15 1/4% mortgage payable in monthly instalments of $61,027 including interest, maturing August 1, 1989.	-	4,897,850
Bank of Nova Scotia, 11.5% mortgage payable in monthly instalments of $6,448 including interest maturing February 1, 1993, amortized to February 1, 2024. This mortgage is secured by St. James complex, general assignment of rentals and a chattel mortgage on appliances.	671,885	673,672
Carried forward	9,010,201	13,937,548

SAINT JOHN NON PROFIT HOUSING INCORPORATED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

4. LONG-TERM DEBT (Con't)

	1989 $	1988 $
Brought forward	9,010,201	13,937,548
CIBC Mortgage Corporation, 12% mortgage payable in monthly instalments of $10,691 including interest maturing January 1, 1994, amortized to January 1, 2024. This mortgage is secured by North End Projects.	1,074,741	1,077,000
Metropolitan Trust Company of Canada, 10.48% mortgage payable in monthly instalments of $8,599 including interest, maturing October 1, 1994, amortized to October 2024. This mortgage is secured by the assets of the Westside Project.	901,293	-
Royal Bank of Canada, 10.3% mortgage payable in monthly instalments of $43,250 including interest maturing August 1, 1994, amortized to August 2019. This mortgage is secured by the Harbourside Complex.	4,884,350	-
The City of Saint John - General Fund, with interest at the City's current rate from time to time. It is expected that final long-term financing will be arranged in 1990:		
Rotary Admiral Beatty Commercial Space	246,003	264,003
Rotary Admiral Beatty	72,800	7,466
Bicentennial Court project	27,417	27,417
Queen Street	66,753	-
Westside projects	18,768	160,861
	16,302,326	15,474,295

Estimated principal repayments over each of the next five years are as follows:

	$
1990	83,500
1991	91,000
1992	99,000
1993	108,500
1994	118,500

SAINT JOHN NON PROFIT HOUSING INCORPORATED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1989

5. SUBSIDY

Paragraph 4(b) of Section 56.1 of the National Housing Act states that should the assistance paid in any year exceed the actual assistance required, as established by C.M.H.C. and N.B.H.C. upon receipt of the annual project data report and financial statements of the recipient, the excess will be refunded by the recipient at the time the annual project data report is submitted.

6. DEVELOPMENT COSTS

Expenses incurred in 1988 of $17,799 for the development of two projects (86-2 and 86-3), which did not proceed to the construction stage have been financed from replacement reserves.

THE MARKET SQUARE CORPORATION

1989 FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

THE MARKET SQUARE CORPORATION

December 31, 1989

Ernst & Young

AUDITORS' REPORT

To the Directors of
The Market Square Corporation

We have examined the balance sheet of **The Market Square Corporation** as at December 31, 1989 and the statements of operations, contributed equity and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Ernst & Young

Saint John, Canada,
January 26, 1990.

Chartered Accountants

The Market Square Corporation

BALANCE SHEET

As at December 31

	1989 $	1988 $
ASSETS		
Fixed *[note 2]*	**56,474,708**	56,474,708
Cash	**68,050**	134,725
Certificates of deposit	**141,576**	95,181
Accounts receivable *[note 3]*	**769,882**	221,975
	57,454,216	56,926,589
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities *[note 4]*	**659,677**	200,920
Holdbacks payable	**127,844**	37,600
	787,521	238,520
Equity		
Capital		
Authorized in the amount of $1,000	**1,000**	1,000
Contributed equity	**56,665,695**	56,687,069
	56,666,695	56,688,069
	57,454,216	56,926,589

See accompanying notes

On behalf of the Board:

Director Director

The Market Square Corporation

STATEMENT OF OPERATIONS

Year ended December 31

	1989 $	1988 $
Revenue		
Management fees	**74,034**	115,383
Investment income	**28,275**	28,339
Rental income	**20,625**	—
	122,934	143,722
Expenses		
Salaries and benefits	**185,073**	196,844
Outside services	**39,792**	41,894
Insurance	**29,302**	54,437
Bi-Capitol Theatre	**21,374**	—
Office supplies	**15,161**	15,989
Directors' fees	**13,700**	9,300
Maintenance	**12,027**	17,282
Travel and promotion	**2,146**	2,251
Miscellaneous	**502**	2,638
	319,077	340,635
Net operating expenses	**196,143**	196,913
Operating grant, City of Saint John	**174,769**	196,913
Net loss	**21,374**	Nil

See accompanying notes

The Market Square Corporation

STATEMENT OF CONTRIBUTED EQUITY

Year ended December 31

	1989 $	1988 $
Balance, beginning of year	**56,687,069**	56,687,069
Net loss	**(21,374)**	—
Balance, end of year	**56,665,695**	56,687,069

See accompanying notes

The Market Square Corporation

STATEMENT OF CASH FLOWS

Year ended December 31

	1989 $	1988 $
Cash provided by (used for)		
Operations		
Net loss	(21,374)	—
Changes in non-cash balances related to operations		
Accounts receivable	(547,907)	38,513
Accounts payable and accrued liabilities	458,757	(249,230)
Holdbacks payable	90,244	14,074
	(20,280)	(196,643)
Net decrease in cash and certificates of deposit	(20,280)	(196,643)
Cash and certificates of deposit, beginning of year	229,906	426,549
Cash and certificates of deposit, end of year	209,626	229,906

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

1. SIGNIFICANT ACCOUNTING POLICIES

The company is incorporated under the laws of New Brunswick. The financial statements have been prepared by management in accordance with accounting principles, the more significant of which are outlined below.

Contributed equity

The Corporation was established to develop and promote the revitalization of the City Centre District.

It is responsible to oversee the public interest in the Market Square Project. The three levels of government agreed to fund, or make certain fixed contributions to the cost of this development, with the responsibilities for the amounts and extent of funding for each party outlined in the Master Agreement and amendments thereto. This funding is recorded in the accounts as contributed equity.

Pursuant to an agreement with the City of Saint John, the Corporation is also responsible for developing and managing the rehabilitation of the City Market. Funding for the project is being raised from the three levels of Government. As expenditures are incurred, they are recovered from the three levels of Government in accordance with various funding arrangements. Since the Corporation is acting only as a project manager, the capital expenditures are not reflected in these financial statements.

Capitalization policy

Fixed assets include all Market Square construction costs incurred by the Corporation in the performance of its work, construction contributions under the construction agreements, and all carrying costs such as interest, property taxes and operating expenses incurred by the Corporation to the completion of the various components.

The City of Saint John conveyed the Market Square land sites to the Corporation in trust, subject to the covenants and conditions set out in the agreements. The land is recorded in the accounts as the gross cost of acquisition and site preparation.

Grants

The City of Saint John provides an operating grant to the Corporation to a maximum of the budgeted net day to day operating expenses. This grant is recorded as revenue as operating expenses are incurred.

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

Depreciation

In common with municipal corporations, depreciation is not recorded on fixed assets.

Income Taxes

The Corporation is wholly-owned by the City of Saint John and as a result qualifies as a municipal Corporation under the Income Tax Act. Accordingly, the Corporation is exempt from income taxes.

2. FIXED ASSETS

Fixed assets consist of the following:

	1989 $	1988 $
Land	6,485,214	6,485,214
Parking garage	11,772,463	11,772,463
Trade centre	8,757,007	8,757,007
Interior circulation space	8,495,370	8,495,370
Hotel	8,395,326	8,395,326
Library	6,688,798	6,688,798
Site containment	5,186,783	5,186,783
Residential park	366,028	366,028
Truck dock	201,073	201,073
Historic village	126,646	126,646
	56,474,708	56,474,708

The assets are held in trust and the Corporation's interest is subject to the terms and conditions of a trust agreement. As such, the assets are encumbered until the expiry of the Market Square leases, at which time the assets will revert to the City of Saint John.

Land is the only income producing property and the benefits of the remaining assets are enjoyed by the lessees.

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

3. ACCOUNTS RECEIVABLE

Accounts receivable are comprised of the following:

	1989 $	1988 $
Rehabilitation of the City Market	585,745	37,871
Trade	152,879	119,592
City of Saint John	31,258	64,512
	769,882	221,975

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	1989 $	1988 $
Rehabilitation of the City Market	444,660	57,237
City of Saint John	159,950	58,760
Trade	44,663	69,417
Accrued liabilities	10,404	15,506
	659,677	200,920

5. LEASE AND MANAGEMENT AGREEMENTS

The Central Building Complex is leased by the Corporation under a Head Lease which expires in 2049. Under the Head Lease, rent for the retail, commercial and office premises is on a percentage rent basis while basic rent is payable with respect to the hotel premises. There is no rent payable for the public sector components of the Central Building Complex.

In 1987 the lessee of the Head Lease, was placed in receivership and in January, 1990 the secured creditor purchased the leasehold interest. As a result, the Corporation has held discussions with the purchaser concerning revisions to the Head Lease. No revisions have yet been made, however, the discussions are continuing.

The housing components are governed by separate leases. Basic rent is payable on the private sector housing while no rent is payable by the public sector.

Expenditures of $983,060 were incurred by the Corporation and recovered in 1989 for the rehabilitation of the City Market. The Corporation also received a management fee of $49,153 for its services provided during the year.

The Market Square Parking Facility is operated by Canpark Services Ltd. pursuant to a management agreement which expires in December, 1991. Net revenues of $754,183 were received by the Corporation and remitted to the City in 1989 ($746,131 in 1988).

6. RENTAL INCOME

Promissory notes were accepted as payment on rental income on the hotel premises for the period April 1985 to March 1989. The settlement date for the promissory notes is June 29, 1990. The income will be reported on a cash basis upon receipt.

SAINT JOHN INDUSTRIAL PARKS

1989 FINANCIAL STATEMENTS

SAINT JOHN INDUSTRIAL PARKS LTD.

SAINT JOHN, NEW BRUNSWICK

FINANCIAL STATEMENTS

DECEMBER 31, 1989

Doane Raymond

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Statement of Changes in Financial Position	4
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AUDITORS' REPORT

To the Shareholders of Saint John Industrial Parks Ltd.

We have examined the balance sheet of Saint John Industrial Parks Ltd. as at December 31, 1989 and the statement of income and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1989 and the results of its operations and the change in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Saint John, New Brunswick
June 6, 1990

Doane Raymond
Chartered Accountants

SAINT JOHN INDUSTRIAL PARKS LTD.

BALANCE SHEET

DECEMBER 31, 1989

ASSETS

	1989	1988
Current		
Cash	$ 5,129	$ 5,146
Term deposit	60,000	60,000
Interest receivable	4,508	3,463
	$69,637	$68,609

LIABILITIES

Current		
Accounts payable and accrued charges	$ 4,020	$ 3,245

SHAREHOLDERS' EQUITY

Capital stock		
Authorized and issued		
1,000 common shares with par value of $1 each	1,000	1,000
Retained earnings	64,617	64,364
	65,617	65,364
	$69,637	$68,609

ON BEHALF OF THE BOARD

_____ Director

_____ Director

SAINT JOHN INDUSTRIAL PARKS LTD.

STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED DECEMBER 31, 1989

	1989	1988
Income		
Interest	$ 7,010	$ 5,508
Expenses		
Grants (Note 1)	6,175	5,150
Legal and audit	395	415
Miscellaneous	187	188
	6,757	5,753
Net income (loss) for the year	253	(245)
Retained earnings, beginning of year	64,364	64,609
Retained earnings, end of year	$64,617	$64,364

SAINT JOHN INDUSTRIAL PARKS LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1989

	1989	1988
Cash provided from (used for)		
Operations		
Net income (loss)	$ 253	$ (245)
Changes in		
Interest receivable	(1,045)	(584)
Accounts payable and accrued charges	775	520
Cash used	(17)	(309)
Cash and term deposit		
Beginning of year	65,146	65,455
End of year	$65,129	$65,146

SAINT JOHN INDUSTRIAL PARKS LTD.

NOTE TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

1. Landscaping
   The company has agreed to transfer annual interest earnings to the Saint John Fundy Region Development Commission for a maintenance program of all industrial parks in The City of Saint John.

THE CITY OF SAINT JOHN

PENSION FUND

1989 FINANCIAL STATEMENTS

THE CITY OF SAINT JOHN

SAINT JOHN, NEW BRUNSWICK

PENSION FUND

FINANCIAL STATEMENTS

DECEMBER 31, 1989

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AUDITORS' REPORT

To the Board of Trustees, The City of Saint John - Pension Fund, Saint John, New Brunswick

We have examined the statement of assets available for benefits of The City of Saint John - Pension Fund as at December 31, 1989 and the statement of changes in assets available for benefits for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the assets under the control of the Trustees of The City of Saint John - Pension Fund as at December 31, 1989 and the changes in its assets available for benefits for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Saint John, New Brunswick
February 5, 1990

Doane Raymond
Chartered Accountants

THE CITY OF SAINT JOHN

PENSION FUND

STATEMENT OF ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 1989

	1989	1988
Cash and short term investments	$10,861,179	$ 8,327,333
Due from (to) The City of Saint John	(345,894)	238,534
Accrued interest and dividends	1,248,326	1,235,024
Investments, at cost		
Bonds (market value 1989 - $41,756,658; 1988 - $40,693,731)	41,684,414	41,323,958
Stocks (market value 1989 - $48,596,942; 1988 - $37,390,044)	34,886,642	30,054,057
Mortgages	101,549	123,750
	$88,436,216	$81,302,656

ON BEHALF OF THE BOARD

_____ Trustee

_____ Trustee

THE CITY OF SAINT JOHN

PENSION FUND

STATEMENT OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED DECEMBER 31, 1989

	1989	1988
Increase		
Contributions		
The City of Saint John	$ 2,302,089	$ 2,221,996
Employees	2,874,050	2,762,361
	5,176,139	4,984,357
Interest and dividend income	6,853,085	5,904,201
Gain (loss) on sale of investments	861,022	(508,858)
	12,890,246	10,379,700
Decrease		
Pensions paid	5,247,318	4,686,052
Contributions and interest refunded to participants	227,147	189,333
Administrative expenses	282,221	236,516
	5,756,686	5,111,901
Net increase in assets available for benefits	7,133,560	5,267,799
Assets available for benefits, beginning of year	81,302,656	76,034,857
Assets available for benefits, end of year	$88,436,216	$81,302,656

1. Summary of significant accounting policies

(a) Basis of presentation

These financial statements show only the position of the assets under the control of the Trustees, and do not purport to show the adequacy of the Fund to meet the obligations of the Pension Plan.

(b) Basis of accounting

The accounts of the Fund are maintained on the accrual basis of accounting. Accordingly, dividend and interest income is accounted for as earned rather than when received.

(c) Investments

The assets of the plan are held by the Royal Trust Corporation of Canada which acts as custodian of the plan. The assets of the plan are managed by Jarislowsky, Fraser & Company Ltd. who have discretionary investment authority.

2. Actuarial valuation

Eastern Canada Consulting Services Ltd. conducted an actuarial valuation of the Fund as of December 31, 1986. The valuation indicated that the present value of accumulated plan benefits was $125,249,000 and the net assets available to provide benefits, at adjusted market values, were $118,229,000 as of December 31, 1986. The actuary recommended that the resulting unfunded liability of $7,020,000 be liquidated by annual payments of not less than $764,000 over a period not to exceed fifteen years.

The significant actuarial assumptions adopted for purposes of the report were as follows:

(a) A long term real rate of investment return (i.e. the difference between the actual rate of return and inflation) of 3.5% per annum.

(b) A differential of 1.5% between long term investment rates of return and the future rate of salary increases.

(c) 6% increase in yearly maximum pensionable earnings.

(d) Assumed retirement age of 60 years.

(e) Assets adjusted to market values as follows:

1) Fixed income assets at market value.

2) Common stocks on the basis of market value less a reserve against future fluctuations equivalent to 20% of the excess of market value over book value.

THE CITY OF SAINT JOHN

PENSION FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

2. Actuarial valuation (cont'd)

The valuation method adopted was the "projected benefit method" under which the liabilities include those in respect of benefits for service already rendered, as well as those for future services expected to be rendered by present members of the plan. Similarly, assets include those presently held, as well as the present value of future normal employee and employer contributions.

Eastern Canada Consulting Services Ltd. conducted an intervaluation estimate as of December 31, 1987. The intervaluation indicated that the unfunded liability at December 31, 1987 was $11,387,000. The increase from the estimate as of December 31, 1986 is due to the following factors:

Investment return being less than anticipated
Increase in disability retirements
Interest on unfunded amount as at December 31, 1986

THE CITY OF SAINT JOHN

PENSION FUND

SCHEDULE OF ADMINISTRATIVE EXPENSES

DECEMBER 31, 1989

	1989	1988
Investment management fees	$158,513	$145,032
Custodian fees	38,750	42,750
Actuarial and consulting services	7,345	15,603
Performance measurement services	5,475	5,300
Legal fees	28,886	7,052
Audit fees	7,975	6,305
Conference and seminar expenses	31,916	10,174
Medical fees	2,800	3,021
Miscellaneous	561	1,279
	$282,221	$236,516